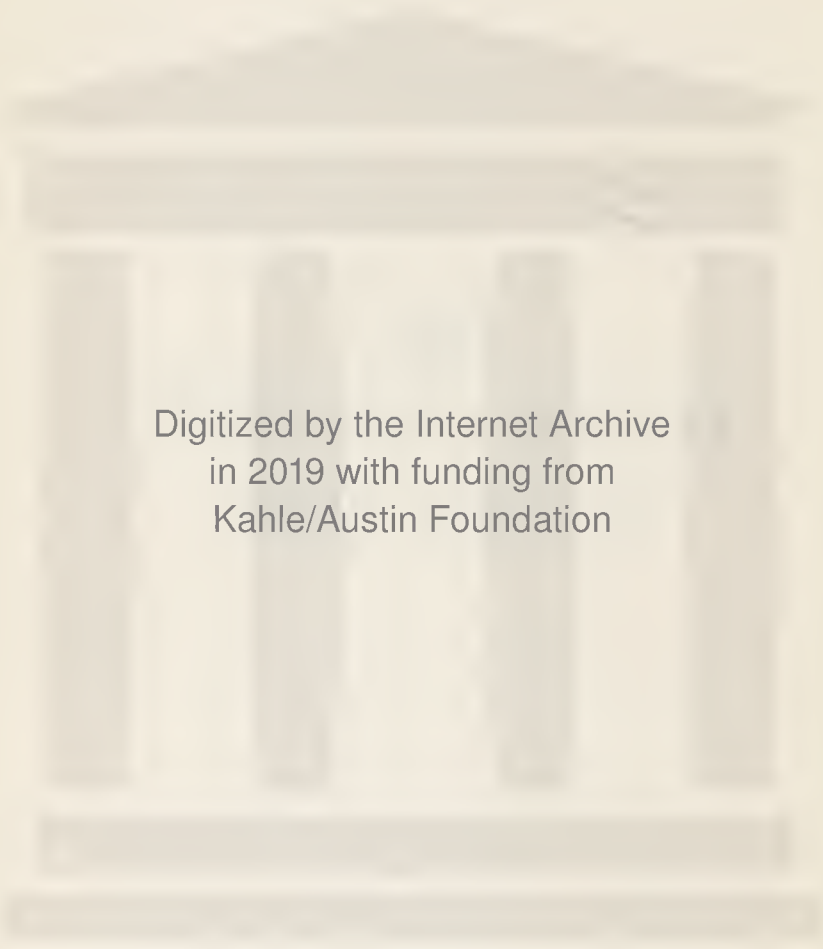


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**THE
CANADIAN ANNUAL REVIEW
OF PUBLIC AFFAIRS**



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THE
CANADIAN
ANNUAL REVIEW
OF
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(FOUNDED BY J. CASTELL HOPKINS)

1933

THIRTY-SECOND YEAR OF ISSUE

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PREFACE

This 32nd issue of *The Canadian Annual Review* covers, in the main, the annals of Canadian affairs, Empire relations, and the more important international events of the period from July 1, 1932, to June 30, 1933. In order to preserve continuity, records in certain instances have been extended beyond the usual date. Also, on account of their comparative value for reference during the existing state of economic unsettlement, 1933 statistics, available up to the time of going to press, concerning industry, finance, transportation, unemployment, price levels, etc., have been included; they will be found not only under the Sections especially devoted to these various subjects, but also in the Statistical Survey of Canadian Economic and Social Conditions (pages 310-23).

The 1933 volume of *The Review* includes the history of the several aspects of the Inter-Empire Trade Agreements of the Imperial Economic Conference, 1932: in Canada, the implementing by Tariff Resolutions introduced and made effective during the early stages of the Parliamentary Session of 1932-33, together with the prolonged debates and the subsequent ratifying Acts; and in the United Kingdom, the resignation of Ministers of the National Government and the enactment of the Ottawa Agreements Bill.

The Monetary and Economic Conference, reparations and War debts discussions and disarmament negotiations, comprised the principal International events of the year. Canadian trade arrangements were also consummated, during the period, with France, Germany and Austria.

In the National field, the 1933 *Review* covers the proceedings of the 1932-33 Parliamentary Session, including such important legislation as the Transportation, Redistribution, Unemployment and Farm Relief Bills; the Budget and its drastic increases in taxation; the Amendments to the Pension Act and to the Radio Broadcasting Act.

In Provincial affairs, the outstanding events and developments of the year have been given careful treatment. Chief among these are the purchase of the Abitibi Canyon Power project in Ontario, the Report of the Social Insurance Commission of Quebec, the General Election of Nova Scotia, the appointment of a new Prime Minister in New Brunswick, the maladministration of the University of Manitoba and Church of England Trust Funds by the firm of Machray and Sharpe, the Gas Conservation question in Alberta, the Coalition issue in Saskatchewan, and the unique turnover of political Parties in British Columbia, as an aftermath of the Kidd Committee Report and attempts to form a Union Government. In addition, the Sessions of the Provincial Legislatures and the Reports of the various Departments have been summarized as usual.

Owing to the difficulty in obtaining official information each year from one or two of the Churches, it has been regretfully decided to omit, in future, the Section, "Churches in Canada."

Our grateful acknowledgments are extended to our writers for their valuable contributions, to our subscribers for their continuous support, to the numerous Government Departments, both Dominion and Provincial, for their assistance in the form of official information, and to the Press for the generous publicity accorded each issue of *The Canadian Annual Review*.

THE EDITORS

Toronto, Canada,
March 20th, 1934

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ERRATA

Page 38, second paragraph, 3rd line from the top: "Dr. C. W. McGill" should read "Dr. H. W. McGill."

Page 105, second paragraph, 3rd line from the bottom: "Apr. 11, 1933" should read "Apr. 1, 1933."

Page 126, 7th line under heading "Other Chief Dominion Officers": "Hon. G. P. Fullerton, k.c." should read "Hon. C. P. Fullerton, k.c."

Page 236, fifth paragraph, 9-10th lines from the top: "Minister of Education and Public Works" should read "Minister of Education and Public Health."

Page 274, 8th line from the bottom of the page: "W. Brace" should read "H. Brace."

Page 446, fifth line from the top of the page: the heading, "Radio Affairs in 1931-32," should read "Radio Affairs in 1932-33."

THE CANADIAN ANNUAL REVIEW OF PUBLIC AFFAIRS

FEDERAL ADMINISTRATION AND POLITICS

The Government (Conservative) of Canada; Mr. Bennett as Prime Minister

The twelve-month period (from July 1, 1932 to June 30, 1933) covered by this volume, was notably one of action on the part of the Canadian Government. On July 18, after a series of negotiations extending over several years, a Treaty* was signed between Canada and the United States for the purpose of ensuring the completion of the St. Lawrence Waterway project, while a week previously (July 11) an internal arrangement, relative to the navigation and power works in the section of the St. Lawrence River bordering the Province of Ontario, had been consummated between the Dominion and Ontario Governments.

At the Imperial Economic Conference which met at Ottawa, July-August, 1932, at the invitation of the Prime Minister, Rt. Hon. R. B. Bennett, who acted as Chairman of the meeting, Canada entered into new Trade Agreements with the United Kingdom and other countries of the Empire. Upon the conclusion of the Conference, which had aroused world-wide attention, brought Canada into special prominence and inaugurated a new era of Empire trade relations, twelve Trade Agreements having been signed between various countries of the Empire, an announcement was made that the Parliament of Canada would meet in October, several months earlier than usual in order that these Empire Agreements might be discussed and necessary legislation enacted as nearly as possible at the same time as such action would take place in the Parliament of the United Kingdom.

The inception of radical new policies by Mr. Franklin D. Roosevelt, following his inauguration as President of the United States on

*NOTE.—For details of the St. Lawrence Treaty, which still awaited ratification at the end of 1933, see *The Canadian Annual Review*, Vols. 1928 to 1932; and for details of the Imperial Economic Conference, see elsewhere in this Section (Fourth Session of the 17th Parliament) and the Empire Section; also Vol. 1932, pages 319-26.

Mar. 4, 1933, had their inevitable repercussions in Canada and, among other things, led to a demand from some quarters that reciprocity negotiations be reopened with the United States. Participation by Canada in the World Monetary and Economic Conference which opened at London in June, 1933, and which had been preceded by conversations between Mr. Bennett and Mr. Roosevelt at Washington in April, was an outstanding event of the year in the annals of Canadian affairs.

In January, 1933, during a Parliamentary intermission, a Dominion-Provincial Conference, with Mr. Bennett officiating as Chairman, was held in Ottawa, when a combined endeavour was made to devise further policies for coping with unemployment and other serious problems facing both the Dominion and Provincial Governments. Previously, the Prime Minister had frequently given warning to Provincial administrations to curtail expenditures. In this connection he was forced to take a strong stand when a request for further financial assistance was made by the three Prairie Provinces. Correspondence later tabled in the House (Apr. 21) disclosed that the Dominion Government, on the eve of the opening of the three Provincial Legislatures for the 1933 Sessions, had refused further financial aid unless each Province produced a balanced Budget, or kept well under a maximum estimated deficit of one million dollars; the only alternative, it was stated, was the appointment of a financial comptroller to supervise all Provincial expenditures.

During the 1932-33 Session of Parliament which, with a two-months' intermission, December-January, lasted until late in the Spring (1933), the Government, in addition to securing the enactment of the Empire Trade Agreements, introduced legislation based upon the Report of the Royal Commission on Railways and Transportation (the Duff Commission) having as its object the amelioration of Canada's railway difficulties; put through a Redistribution Bill, a measure dealing further with unemployment and farm relief, a Budget containing several drastic increases in taxation, and important Amendments to the Pension Act, the Radio Broadcasting Act, the Canada Shipping Act, the Indian Act and the Migratory Birds Convention Act. A new Trade Agreement with France was approved by Parliament as well as the extension of the existing New Zealand Trade Treaty. The decennial revision of the Bank Act was postponed pending the investigation by a Royal Commission, which was later appointed, into the whole banking, currency and credit system of the country.

The day before the opening of Parliament the Prime Minister had announced (Oct. 5, 1932) that owing to the financial inability of the Government the wheat bonus for the 1932 crop would not be renewed. This question was again referred to by Mr. Bennett during the Session, on Nov. 14, when he confirmed in a statement what had been generally surmised, that the Canadian Government, in order to counteract the lowest wheat price in centuries and ensure the orderly

marketing of Western Canada's crop, had guaranteed the Canadian banks against loss in financing hedging operations by the Canadian Co-operative Wheat Producers Limited. He did not believe, he said, that any good purpose would be served by going into the details of the operations but he expressed the belief "that the steps taken will be more beneficial to the Dominion and will secure for the country as a whole, greater advantages than if we paid the producers the bonus which was paid last year." Mr. Bennett's statement, at the time, aroused mixed feelings throughout Canada. In the Western Provinces it was generally believed that by the Government's action the grain marketing machinery had been preserved. *The Winnipeg Free Press* declared, editorially, that if "the operations of the Government through the central selling agency of the Pools were, from the first, undertaken solely because of need for settling the market and enabling it to function in something like a normal way, a good deal can be said for the action taken by the Government."

Two important bodies of three members each, were appointed by the Government: the Canadian Radio Broadcasting Commission on Oct. 5, 1932, and the Tariff Board on Feb. 6, 1933. In setting up the first, a provision of a measure sponsored by the Prime Minister and passed during the 1932 Session of Parliament, was carried out. The second appointment had been provided for by an Act of Parliament in 1931, the formation of the Board having been postponed until 1933, pending new Empire trade arrangements.

There were numerous other official demands upon the Prime Minister of Canada during this period. Deputations from industrial, labour and other groups had been given hearings; a Conference on unemployment relief in the Western Provinces had been attended; speeches had been delivered; and much travelling had been accomplished.

One large deputation, composed of farmers representing agricultural organizations in Ontario, Quebec and the Western Provinces, arrived in Ottawa on July 16, 1932, in the midst of Government preparations for the Imperial Economic Conference, with the object of emphasizing views, already submitted in writing, as to Canada's policy on behalf of agriculture at the Conference. A mass meeting was held and a committee of ten was sent to request the Prime Minister to attend. On Mr. Bennett's refusal to do so, owing to previous engagements, much indignation was expressed by the assembled farmers. In an official statement from the Prime Minister's office it was later explained that Mr. Bennett had agreed to receive a deputation, had given them a hearing (the reference was to the visit of the Committee), but apparently they had "had no further submissions to make." Another group calling themselves the "Workers' Economic Conference" and composed of representatives of the unemployed, also gathered in Ottawa during the proceedings of the Imperial Economic Conference. They placed before the Government a list of seven demands. These were disposed

of one by one by Mr. Bennett who received the delegation on Aug. 2, when he denounced in particular the demand for abolition of the "police terror" and release of the eight Communists sentenced in 1931 for membership in an unlawful organization. On Jan. 27, 1933, just before the resumption of the Parliamentary Session, Mr. Bennett and several of his Ministers received a delegation from the Trades and Labour Congress, headed by the President, Mr. Tom Moore, who presented a memorandum seeking numerous legislative changes. In intimating to the Congress representatives that the time was not propitious to propose undertakings necessitating further expenditure of public money, the Prime Minister stated "we are dangerously near the limit of this country to pay additional taxes." Nearly a month later (Feb. 21) Mr. Bennett received a delegation from the Canadian Labour Defence League which sought an "amnesty" for Tim Buck and the seven other Toronto Communists incarcerated at Portsmouth Penitentiary, as well as the release of fifty-eight prisoners who had been engaged in what the delegation termed "workers' activities." These demands the Prime Minister refused, charging the League with being the successor to the Communist Party which, nominally, had ceased to exist after the Buck conviction.

During the course of a visit to Calgary in September (1932) for the purpose of attending the Annual Convention of the Canadian Bar Association, the Prime Minister was present at a Conference of representatives of the Western Provinces and Cities when he promised consideration of their requests in connection with unemployment and relief.

Among the notable addresses made by Mr. Bennett during the period under review was a New Year's (1933) message to the Canadian people during which he dwelt upon the desirability of turning capital to productive uses. In this connection he said: "Our ears are deafened and confused by the advocates of monetary nostrums but there are also a few old-fashioned prejudices. One of the latter is the notion that money or wealth can be separated from enterprise and cloistered in safekeeping away from the call of industrial needs. If industry fails in your country, your wealth, savings, insurance and investments will melt like snow before your eyes. It is not unnatural that those possessing wealth should have put it aside while a precipitate decline in prices was in progress. That downward movement having now been definitely arrested and an upward trend being in evidence, it behooves all those who have capital available to turn it as far as possible to productive use." Later in the same month, at the annual banquet of the Toronto Board of Trade (on the 23rd), Mr. Bennett placed himself on record as definitely against the inflation of Canadian currency unless unforeseen circumstances arose. "What," he asked, "would happen to the credit of this country that now stands so high, if we were to inflate? What would happen to us in the United States where the Canadian dollar is now worth below 90 cents, if it were worth only 50 cents? Who is going to pay that

\$684,000,000 of obligations maturing in 1933? Shall we default or maintain our proud credit?"

Two visits to England were made by the Prime Minister: in December, 1932, for two or three weeks, partly for a well-needed rest and also to settle certain questions in connection with the Trade Agreements of the Imperial Economic Conference; and during June-July, 1933, to attend the Monetary and Economic Conference. (See Section: "International Relations," this vol.). In London on Dec. 12, he addressed a distinguished audience at a Royal Empire Society dinner when he expressed his belief that a common economic policy made possible a greater sense of unity and solidarity between the United Kingdom and the rest of the Empire than any other single factor. At an informal dinner in his honour, on Dec. 14, presided over by Sir Robert Horne, he urged that the Agreements growing out of the Conference should be considered rather in the light of the hope they offered for the future than in that of present accomplishment. On the 15th Mr. Bennett attended a Session of the Privy Council presided over by the King. Later he dined with Their Majesties at Buckingham Palace when King Christian and Queen Alexandra of Denmark were also present. A noteworthy incident of his visit was his investiture by the King with the *insignia* of Knight of Grace of the Venerable Order of the Hospital of St. John of Jerusalem in the British Realm. Other functions held for Mr. Bennett included a dinner at the Canada Club, when Hon. G. Howard Ferguson, High Commissioner for Canada in London, was Chairman, and Rt. Hon. Stanley Baldwin, Lord President of the Council in the National Government, proposed a toast to his health. In his reply, Mr. Bennett spoke of the financial security of Canada. He reminded his hearers that, of all loans made to the Dominion, none had ever been known to fail. Before leaving for Canada, a dinner, attended by many distinguished guests, was given in his honour by Mr. and Mrs. Howard Ferguson.

Several honorary degrees were bestowed upon Mr. Bennett during this twelve-month period. In October, 1932, he received the honorary degree of Doctor of Laws from the University of the State of New York; in May he received similar degrees from two Canadian universities, McMaster University, Hamilton, and the University of New Brunswick, Fredericton.

Political meetings attended by the Prime Minister included those of the Montreal Conservative Association on Nov. 4, when he scored Liberal critics of the Imperial Economic Conference Trade Agreements; and of the Liberal-Conservative Association of Ontario in Toronto on the 9th, when he declared that the alternative to Conservatism in Canada was Socialism, or its deeper-tinted sister, Communism—an alternative of conservation or destruction of existing property rights—of the right, or the withdrawal of the right, of an individual to invest his "ten talents" and reap for himself and his family the reward of his foresight and his genius.

The Dominion-Provincial Conference. Called by the Dominion Government for the discussion of economic and constitutional questions, a Conference attended by representatives of the Dominion and of the nine Provinces was held in Ottawa on Jan. 17, 18 and 19, 1933. The Prime Minister of Canada (Rt. Hon. R. B. Bennett), who presided, was supported by practically his entire Cabinet. The Prime Ministers of the nine Provinces, with the exception of Hon. Gordon S. Harrington of Nova Scotia, who was ill, and of Hon. S. F. Tolmie of British Columbia, whose wife had just died, were present; in addition, there was a *quota* of Cabinet Ministers from each Province. Sessions were held in the Railway Committee Room of the Parliament Buildings and were closed to the public and the Press.

At the conclusion of the Conference a statement was issued giving the decisions which had been reached. The first item on the *agenda* was concerned with existing unemployment and relief conditions. It was agreed "that Federal assistance to the Provinces in the discharge of their constitutional obligations should be continued on the basis of the Provinces' dealing with the present unprecedented economic conditions by distribution of direct relief," but attention was directed to several matters as worthy of consideration by the Federal Government. These included (a) the percentage of responsibility as between the Dominion and the Provinces; (b) expenditure for medical services as part of direct relief; (c) limitation of *per capita per diem* expenditure, avoiding thereby the difficult question of what items could or could not be included under the definition of direct relief; (d) cost of additional investigation, which was regarded as amply justified on the grounds of sound administration and economy; (e) local administration of relief by committees or commissions; (f) public works; (g) single, homeless unemployed; (h) unemployed youths.

The next item covered the question of taxation: the possibility of re-allocation of tax sources as between the Dominion and the Provinces and also of co-operation in the administration of certain taxes which were being levied by both the Dominion and several of the Provinces. It was agreed that considerable opportunity for administrative co-operation existed and that an exchange of information by correspondence should be carried on, pending the holding of another conference.

Another item treated company law and a resolution was adopted recommending that the Prime Minister of Canada convene, at an early date, a conference of the appropriate officials of the Dominion and the Provinces to prepare a draft Companies Bill, with a view to securing uniformity.

Other decisions reached were that "the Dominion and the Provinces should continue their efforts to lessen duplication of their activities" (as, for example, in agriculture and health); that "the Minister of Railways should submit to the Provinces a *questionnaire* dealing with matters relating to the regulation of truck and motor bus services," preparatory to the holding of a conference to consider the whole situation; and, finally, "that the Dominion Statistician should communicate with the Treasurers and/or Statisticians of the several Provinces with a view to securing uniformly classified statistical information."

The Conference came to no decisions on the questions of unemployment insurance and jurisdiction over fire, life and other insurance companies, though both subjects were discussed. *The Gazette*, Montreal, in its report on Jan. 20, of the discussions said: "Two significant failures to agree were on the problems of unemployment insurance and on the insurance legislation passed by the Federal Parliament at the last regular Session. On both of these questions it is understood that some of the Provinces, notably Ontario and Quebec, stood firmly on the ground of Provincial rights and resisted any move toward a surrender of their jurisdiction on insurance, even though a large percentage of the insurance business now conducted in Canada is by companies with Federal charters."

The attitude of the Province of Saskatchewan with respect to unemployment insurance was made public in a statement issued by Hon. J. T. M. Anderson, Prime Minister of the Province, on Jan. 25. He said: "The Province of Saskatchewan at the Ottawa Conference endorsed the principle of unemployment insurance under a Federal scheme and was prepared to have the British North America Act amended, if necessary, in order that a Federal unemployment insurance scheme could be introduced. We took the stand that it was never intended by the Fathers of Confederation, who framed the British North America Act at a time when there was comparatively little development in Canada, that it should be binding on all future generations. The marvellous development that has taken place since those days, although it may have been contemplated, was not in every instance provided for in the Act as it now stands. It is obvious that amendments will have to be made and the Province of Saskatchewan is not prepared to stand in the way of national development by any unreasonable assertion of Provincial rights."

Another Provincial Prime Minister who referred to the subject was Hon. L. A. Taschereau of Quebec. Speaking in the Legislative Assembly at Quebec on Jan. 26, he said that if the Provinces were ready to grant to the Federal Government the consent necessary to change the British North America Act, they (the Provinces) should have complete information as to what action that Government proposed to take, once they had the needed powers in the matter.

The Provincial delegates had been in unison in a request to Mr. Bennett for enlightenment as to his plan for unemployment insurance, and, on receipt of his reply to the effect that he had not drawn one up, they had suggested leaving that item of the *agenda* alone. (*The Gazette*, Montreal, Jan. 27, 1933).

More light on what transpired at the Conference was given on Mar. 22, when, during the course of a Debate in the House of Commons on unemployment, Hon. W. A. Gordon, Minister of Labour, made this statement: "At the recent Dominion-Provincial Conference the question of unemployment insurance certainly was discussed; it was discussed primarily to see whether the apparently insuperable barrier to a contributory system could be removed, namely, the question of constitutional difficulties. Because of the fact that the subject-matter perhaps would become a matter of great controversy within each Province, it was agreed among the Provinces that the attitude of each individual Province would not be disclosed. Each Provincial representative recognized that that barrier must first be overcome if contributory social insurance was to become a fact. That being the case, I can only go so far as to say that this subject was seriously discussed from many angles and that the whole matter is still under consideration by the Provinces and by this Government."

The Liberal Party of Canada (Opposition) The Liberal Party in the Federal field adopted aggressive tactics in 1932-33. Its policies were laid before the people in a series of addresses by Rt. Hon. W. L. Mackenzie King (Leader of the Opposition, House of Commons, and Leader of the Party) and by other prominent Liberals. A highlight of the Party's activities during the period under review was the formation, toward the end of 1932, of a new national organization, pursuant to a decision reached twelve months before during a meeting at Ottawa of the National Organization Committee.

During July-August (1932) the Leader of the Liberal Party was a silent but interested observer of the proceedings of the Imperial Economic Conference. On Sept. 23, in answer to a prediction made

by J. G. Diefenbaker, K.C., at a meeting of the Young Men's Conservative Association at Saskatoon, that he would forsake Prince Albert and seek election in an eastern constituency at the next general election, he issued a firm denial of any such intention, stating that "so long as the Liberals of Prince Albert continue to desire me as their candidate, and the electors to honour me with their confidence, I shall be increasingly proud of being the representative of Prince Albert."

Mr. King entered the South Huron By-Election campaign in the interests of William H. Golding, the Liberal candidate, and addressed two large meetings on Sept. 28, at Exeter and at Seaforth. Condemning the alleged attempts of the Conservative Party to fight the Election solely on the issue of the Imperial Conference Agreements, he declared it was "an insult to the intelligence of the people" to ask them to endorse a document of the contents of which they were ignorant. He defended the record of his Government when in office, reiterated his faith and belief in the Canadian National Railways as a great national asset and decried "the programme of detraction and belittling of this nationally-owned utility." He declared that if the Government had any disposition to lower tariffs such action should take place at once—not "when economic conditions permit," as had been stated by supporters of the Conservative candidate. He added that they should never have been raised and promised that it would be the Liberal policy to reduce them to the level demanded by the Dunning Budget. The Liberal Party, he stated, stood for reduction of interest rates, establishment of a central rediscount bank in Canada, 50 per cent. minimum preference on British goods entering through Canadian ports, abolition of the 3 per cent. Excise Tax, a national commission on unemployment, revision of the Electoral Act to provide the alternate vote in single-Member constituencies and proportional representation in two-Member ridings. The time for all reforms, declared Mr. King, was "right now".

On Oct. 29 the Opposition Leader, at a banquet given by the Montreal Reform Club, described the attack on the Empire Trade Agreements as "one of the historic fights of the Liberal Party"; declared that his Party saw little of value either to Canada or the United Kingdom in them; condemned the tariff policies on which they were based and found in them a source of future irritation between Canada and the United Kingdom. He renewed this attack at the Annual Meeting of the Ontario Liberal Association in Ottawa on Nov. 18, when he denounced the Canada-United Kingdom trade arrangement as a violation of the fundamental principles on which the Empire could hope to continue. He denied emphatically the allegation that Liberals were not carrying out the principles of Sir Wilfrid Laurier. A noteworthy remark of the Liberal Leader was that "he was through with those people who only supported the Liberal Party and looked for place and power when they were in office". To a large audience of women in Montreal, organized by the Provincial Committee of the National Federation of Liberal

Women's Clubs of Canada, he defined, on Dec. 10, the principles of Liberalism, declaring that it, and not Socialism or Communism, offered the solution of the problems confronting Canada.

At a largely attended banquet in Toronto (Dec. 15) organized by the Ward 8 Liberal Association, he again attacked the Government's fiscal policy, declaring "we have had enough of selfish Nationalism. We have had enough of jingo Imperialism. What the world needs to-day is a spirit of humanitarianism. Instead of increasing the barriers as between nation and nation and making living more difficult as between class and class, we should take away the things that divide, and help serve the great needs of human service." He warned that "this economic war will lead to real war, if nations go on raising tariffs against each other." The Liberal Leader also directed his fire toward the Co-operative Commonwealth Federation, appealing against the division of "anti-Tory" forces between the C.C.F. and Liberalism. The following night, in the course of a non-political speech at the annual banquet of the Commercial Travellers' Association in the same City, he advocated the creation of a trusteeship for control of the Canadian National Railways, with a membership selected from labour, agriculture, industry and commerce.

Mr. Mackenzie King's next important engagement was at a banquet in Quebec on Jan. 14, 1933, marking the 25th Anniversary of the founding of the Young Liberal Association of that City. He spoke at considerable length in the French language dealing first with Canada's place in the world as a nation and then with her position in the matter of trade. He charged that there was "a deliberate manœuvre to bring about something new in the relations of Canada to the other parts of the Empire. The real issue is whether we are going to change from the position of National sovereignty into one of Imperial sovereignty, with Imperial policies instead of National policies governing this country." He declared that the Prime Minister of Canada had not waited for the creation of an Empire Parliament, as some people had once advocated, but had gone ahead with his Imperial policies. Friction between the different parts of the Empire, he predicted, would follow. (*The Gazette*, Montreal, Jan. 16, 1933).

Mr. King attended closely to his duties as Leader of the Opposition throughout the Parliamentary Session which closed on May 27 (1933). During the course of a Debate on the C.C.F. movement he made an important statement (Feb. 27) on Liberal policy with respect to some of the outstanding issues of the day; he did this, he said, "to answer honourable Members who say there is no alternative to the policy offered by them and also to make clear to the House and country the exact position of the Liberal Party with regard to these all-important questions." The proposals set forth by Mr. King were as follows: (1) to deal with unemployment "through a representative national commission" and "to institute policies which will serve to provide employment by reviving industry and trade and

the institution of a national system of unemployment insurance"; (2) to abolish "the extravagant increases in the tariff made by the present Administration"; (3) to abolish "all unwarranted extra taxes on imports such as the exchange dumping duties"; (4) to substitute "stability for uncertainty in the administration of customs laws"; (5) to promote "trade with all nations and negotiate trade agreements with any countries willing to trade with Canada on a reciprocal basis"; (6) to continue "the Liberal policy of the British preference by a percentage reduction in existing tariffs rather than by a percentage increase against foreign countries in existing tariffs"; (7) to seek "to end artificial price control and agreements in restraint of trade"; (8) to put into force "control of investments to prevent exploitation of the public through the sale of unsound and worthless securities—watered stock"; (9) to establish "an investment control board to have supervision of issues and securities of companies incorporated under Federal charters"; (10) to create immediately "a national central bank to perform the function of rediscount and the control of currency issue"; (11) to bring about "a reduction in the burden of interest and taxes"; (12) to establish the right of free speech and free association and to this end, to effect the repeal of Section 98 of the Criminal Code, thus ending the existing practice of arbitrary deportations; (13) to balance the Budget and (14) to overhaul the costs of government, federal, provincial and municipal.

At a luncheon on June 3 of the First National Convention of the Twentieth Century Liberal Association in the Chateau Laurier, Ottawa, where he made his first public appearance after the close of the Session, the Liberal Leader attacked both the Co-operative Commonwealth Federation and the Bennett Government as dictatorships. Mr. Bennett, he declared, was a dictator because he imposed his will on his own Cabinet, through the Cabinet on the House of Commons and through the House of Commons on the whole country. The C.C.F. likewise sought a dictatorship wherein its own ideas would prevail. He preferred the old British cabinet system of government. A few days later (June 7) Mr. King was the principal speaker at the Annual Meeting of the Central Ontario Liberal Association in Belleville, when he decried "the vice of economic nationalism," declaring that if the World Economic Conference were to be a success, much of what had been done at the Ottawa Conference would have to be undone. Every one was hoping and praying, he said, that the Conference about to open in London would lower tariffs as between Canada and the United States, Canada and the British Empire and Canada and all other countries. "People are coming to see," he declared, "that the Bennett policy of economic nationalism is causing trade stagnation throughout the world and bringing all nations to the brink of economic destruction."

On July 18, 1933, Mr. King left Ottawa for a speaking tour through the three Prairie Provinces which lasted for five weeks.

Meantime, Liberal officials and Members of Parliament from all parts of Canada had assembled at Ottawa, Nov. 25—26, 1932, and

formed the National Liberal Federation of Canada, electing as President Hon. Vincent Massey, a Member in 1925 of the former Mackenzie King Government and Canadian Minister at Washington, 1926-30. The aims and objects of the new body, as announced, were similar to those of the National Liberal Federation in the United Kingdom. They were to serve the interests of all branches of Liberal organization in the Provinces in stimulating and informing public opinion on the Federal issues of the day and in reflecting constantly for the benefit of the Liberal Parliamentary group the state of opinion throughout the country. Rt. Hon. W. L. Mackenzie King was named Honorary President; Hon. Ernest Lapointe and Hon. Cairine Wilson, Vice-Presidents; and Norman P. Lambert, General Secretary and Chief Organizer. A Finance Committee, composed of Albert Matthews, Toronto, Chairman; Hon. H. H. Horsey, Kingston; Pierre F. Casgrain, M.P., Montreal, and Madame Grant de Rouen, Montreal, was elected and an Executive Committee formed on the following basis: (1) the President and Secretary of the Federation; (2) the President of each Provincial association or his or her nominee; (3) the President of the National Federation of Liberal Women; (4) two representatives from the 20th Century Liberal Associations of Canada and (5) the Finance Committee of the Federation.

The Federation approved by resolution "the attitude of the Liberal Party in Parliament opposing the Trade Agreement between the United Kingdom and Canada" as concluded at the Imperial Economic Conference in July (1932). The resolution also set forth "that the policies of the present Administration have been arbitrary and ill-considered, and have the effect of stifling agriculture and other industries, restricting trade and commerce and increasing unemployment, and are largely responsible for the existing widespread and deplorable distress of our people. That only a complete reversal of the policies of the present Government and the application of Liberal principles and policies will serve to effect a revival of trade, an improvement in business, an alleviation of the present distress, and the return of prosperity in Canada."

Mr. Massey, previous to his election as President of the new organization, had delivered (Nov. 19) a noteworthy address at the Annual Meeting of the Ontario Liberal Association in Ottawa. He stated that the great task of Liberalism lay in the field of economics. "As contrasted with Fascism and Socialism," he explained, "Liberalism believes that industry is its own best master; it should not depend upon the state for nourishment nor should it be called upon to surrender its initiatives. In the first place we stand for the liberation of trade, for the right to conduct our business and our agriculture without the preposterous restrictions with which we have been saddled in the last two years. We are fighting at the same time for the consumer's right to buy without the intolerable tax he has to bear." The support of public ownership as exemplified in the Canadian National Railways; electoral reform including proportional

representation in the cities and the alternative vote in other parts of the country; unemployment insurance; the right of men and women to work, or failing the existence of work, to sustenance on a self-respecting basis—these were some of the policies of the Party emphasized by Mr. Massey, who also said: "We believe that the principle of personal liberty must be reasserted in this country and that Canadians should enjoy the right of free speech, the right of peaceful association, the right to live their own lives as British subjects in other British countries are permitted to live, provided they offer no overt threat to law and order."

At Liberal rallies in Winnipeg and Edmonton following the Ottawa organization meeting, Hon. Ian Mackenzie, M.P. for Vancouver Centre and a Member of the former Mackenzie King Government and Hon. Charles Stewart, M.P. for Edmonton West, were the principal speakers. The Winnipeg meeting (Nov. 29) was featured by scathing attacks upon the Government, Mr. Mackenzie being particularly severe in his denunciation of the tariff arrangement entered into at the Imperial Economic Conference. "It is a fiscal fraud" he declared, "it is a fake perpetrated upon the consumers in Canada. It provides for the biggest increase of tariffs, under the sentimental guise of Imperial preference, that you have ever had, and it is a sacrifice of the fiscal freedom of Canada, as it is to hold good for five years." Mr. Stewart contended that in the interests of Canada there must be a right-about-face with regard to the Bennett policies and especially with those concerning tariff.

The Co-operative Commonwealth Federation

During 1932-33 was witnessed the inception and rapid expansion of a new political organization in Canada, the Co-operative Commonwealth Federation, or as it soon came to be known, the "C.C.F." It was brought into existence in Calgary on Aug. 1, 1932, when representatives of farm and labour organizations in the four Western Provinces and Ontario discussed plans for the formation of a Dominion-wide Socialist organization. The economic policy of the Federation as laid down at this meeting embraced the following: (1) the establishment of a planned system of social economy for the production, distribution and exchange of all goods and services; (2) socialization of the banking, credit and financial system of the country together with the social ownership, development, operation and control of utilities and natural resources; (3) security of tenure for the worker and the farmer in his home; (4) retention and extension of all existing social legislation and facilities, with adequate provision for insurance against crop failure, illness, accident, old age and unemployment; (5) equal economic and social opportunity without regard to sex, nationality or religion; (6) encouragement of all co-operative enterprises aiming at the achievement of the Co-operative Commonwealth Federation; (7) socialization of health services; (8) acceptance by the Federal Government of responsibility for the unemployed through the supplying of suitable work or adequate maintenance.

J. S. Woodsworth, Labour Member of Parliament for Winnipeg North Centre, was chosen as President and Norman F. Priestley, Vice-President of the United Farmers of Alberta, as Secretary. A Provisional Committee of seven members, with power to increase its numbers, was formed to draw up a constitution to be placed before the first annual convention. This Com-

mittee consisted of George H. Williams of the United Farmers of Canada, Saskatchewan Section; John Queen, Labour Member of the Manitoba Legislature; Mrs. J. Latham of the Women's Section, United Farmers of Alberta; William Irvine, Member of Parliament for Wetaskiwin; Mrs. L. Lucas, Leader of the Women's Section, United Farmers of Canada; A. R. Mosher, Ottawa, Secretary of the Canadian Brotherhood of Railway Employees and Angus MacInnis, Labour Member of Parliament for Vancouver S. (*The Winnipeg Free Press*, Aug. 2, 1932).

An effort to enlist support for the Federation in the Maritime Provinces and Ontario was shortly made by William Irvine, who engaged in a speaking tour through the East. Speaking at Renfrew, Ont., on Sept. 20, he made the following declaration: "The Co-operative Commonwealth Federation is the only movement in Canada which has taken a course calculated to avoid revolution and lead to ordered, constructive advance. To follow the old Parties in their demonstrated impotence and with their determination to ignore abundance and practise a scarcity policy to the point of sacrifice of all human values means revolution The surest way of preventing the approaching cataclysm is to distribute the surplus of production to the people who need it and are willing to work for it. That is a practical matter of financial policy. It can be done, and ordered progress is assured if the people of Canada will sanction it by their ballots." (*The Citizen*, Ottawa, Sept. 22, 1932).

At its Convention in Toronto on Dec. 1, the United Farmers of Ontario, after a heated debate in which Miss Agnes Macphail, M.P., took a leading part on behalf of the C.C.F., adopted a resolution by a large majority providing for affiliation with the Federation. The vote followed an impassioned plea by Miss Macphail, in which she told the farmers of Ontario that they faced the issue of supporting Capitalism or joining the tide which was sweeping toward a new economic system. William Irvine, M.P., also spoke. Briefly he recalled that Ontario agriculture had led Canada in political action and now the West was asking Ontario once again to join the march to victory. The resolution as adopted read: "Be it resolved that, pending the holding of the first general conference of the affiliated organizations, the United Farmers of Ontario become affiliated with the Co-operative Commonwealth Federation, it being recognized that (1) the United Farmers of Ontario retains its identity and all its privileges and powers unimpaired; (2) that the principle of constituency autonomy which prevails with the United Farmers of Ontario with respect to direct political action be retained, and (3) that with respect to the policy of the affiliation of the United Farmers of Ontario and the Co-operative Commonwealth Federation, it be limited to the declared policies of the United Farmers of Ontario." (*The Mail and Empire*, Toronto, Dec. 2, 1932).

Speaking at a meeting in Toronto on Dec. 14, J. S. Woodsworth, President of the C.C.F., announced that organization of C.C.F. clubs, in which citizens not already associated with a political or labour group might enrol, would be undertaken by a Committee headed by Professor F. H. Underhill of the University of Toronto. These clubs, formed only to provide a means for the enrolment of "a vast unattached body of Canadians," must be pledged to C.C.F. policies and programmes and would form a third wing to an Ontario organization of which the other two sections would be the United Farmers of Ontario and Labour organized in a Labour Conference. Mr. Woodsworth emphasized at this time that the C.C.F. consisted wholly of organizations, not individuals. Individuals who wished to support the C.C.F. were urged to join already existing organizations and the Clubs were intended for those who did not belong to Labour or Farmer groups. (*The Mail and Empire*, Toronto, Dec. 15, 1932).

At a mass meeting in Winnipeg on Jan. 18, 1933, the C.C.F. Leader outlined the aims and objects of the new organization and of particular interest was his reference to the four political Parties in the field. "Neither of the old Parties," he contended, "can be expected to fight definitely for

fundamental changes. There remain two other organizations, the C.C.F. and the Communist Party. Both believe in a new economic and social order. The Communist Party is firmly convinced that this can only be brought about through violence and bloodshed and with, at least, a temporary dictatorship. They can think only in terms of Russia. We in the C.C.F. believe that it may be possible to bring about fundamental changes in Canada by peaceable and orderly means. Only the event will prove whether we are right, but when we consider what is involved in a total collapse of our financial system, or in a revolution by force, we believe we should do everything in our power to attempt the first alternative." (*The Winnipeg Free Press*, Jan. 19, 1933.)

The new Party made its first electoral effort in a By-Election held on Jan. 19, 1933, to fill a vacancy in the representation of Calgary in the Alberta Legislature caused by the resignation of Dr. C. W. McGill (Con.) who had been appointed Deputy Minister of Indian Affairs. It supported the candidature of Mrs. Amelia Turner, who was running in the Labour interest. Despite an aggressive campaign in which Miss Agnes Macphail, M.P., William Irvine, M.P., and E. J. Garland, M.P., took an active part, Mrs. Turner failed to capture the seat. (See Section: The Province of Alberta).

The Federation came into considerable prominence as the result of a debate in the House of Commons on a Resolution introduced on Feb. 1 (1933) by Mr. Woodsworth advocating the setting up of a co-operative commonwealth in Canada. The Resolution was under discussion at five sittings of the House and no fewer than 27 Members expressed their views. (For details of the debate, see Sub-Section headed "A Co-operative Commonwealth"). In the meantime the task of organization was proceeding. On Feb. 19 the Alberta Council was formed at Calgary, the first in the Dominion, with Norman F. Priestley, Vice-President of the United Farmers of Alberta, as Chairman, and Elmer Roper, Edmonton, President of the Alberta Section, Canadian Labour Party, as Secretary. On Feb. 26 delegates from 66 Labour and Socialist organizations in Ontario voted to join as one unit in the Ontario Labour Conference for affiliation with the C.C.F. On June 23 a New Brunswick Section was formed at a meeting in Moncton, with Harry H. Girvan, Coal Branch, as President; Watson Baird, Moncton, Vice-President and G. Maynard Leggett, Saint John, Secretary-Treasurer. All this was leading up to the holding at Regina on July 19-21 (1933) of the first National Convention of the Federation, when their platform, as adopted at the August (1932) Meeting in Calgary, was considerably amplified. Denial of the policy of outright confiscation was definitely given at this time and inserted in the social ownership clause. (See the several Sections dealing with Provincial affairs for other expressions of opinion as to the C.C.F. movement).

By-Elections and Standing of the Parties.

During the twelve months ended June 30, 1933, but one By-Election took place for the House of Commons. This was in the constituency of South Huron, Ont., where a vacancy had been created by the death, on June 7, 1932, of Thomas McMillan (Lib.). Nominations were held on Sept. 26 and voting on Oct. 3. The candidates were W. H. Golding, Liberal, and L. H. Rader, Conservative. The contest was keen. Five Members of the Government and half a dozen Conservative Members of Parliament and an equal number of former Liberal Ministers and Members of the House, including Rt. Hon. W. L. Mackenzie King, Opposition Leader, participated in the campaign. The Election was fought by the Conservatives mainly on the issue of the Imperial Economic Conference; it was contended that defeat of the Conservative candidate would constitute a vote of lack of confidence in the Conference Agreements. On the other hand Liberal speakers declared that the By-Election had no bearing, one way or the other, on the Agreements; they claimed that if the Government wished the contest to be fought on that ground, the Election should have been delayed until the Agreements had been tabled in the House of Commons. Mr. Golding was returned by a plurality of 1,986, the vote being, Golding, 7,046; Rader, 5,060.

When Parliament assembled on Oct. 6, 1932, there were no vacancies in the House of Commons and membership consisted of 138 Conservatives (Government); 86 Liberals (Official Opposition); 3 Liberal-Progressives (Manitoba); 2 Progressives (Saskatchewan); 9 United Farmers of Alberta; 1 United Farmers of Ontario; 3 Labour; 1 Independent Labour and 2 Independents; total, 245. Three vacancies were created during the Session, one in the electoral district of Restigouche-Madawaska, N.B., caused by the death of Maxime D. Cormier (Con.) on Jan. 14, 1933; one in the electoral district of Yamaska, Que., caused by the unseating of the Member, Aimé Boucher (Lib.) by a judgment of the Supreme Court of Canada, Dec. 23, 1932; and one in the electoral district of Mackenzie, Sask., caused by the acceptance of an office of emolument under the Crown (membership on the Tariff Board) by M. N. Campbell (Prog.), Feb. 6, 1933. A fourth vacancy occurred shortly after the Session had ended, caused by the death on May 30, 1933, of Thomas Merritt Cayley (Lib.), Member for South Oxford, Ont. None of these vacancies had been filled at June 30, 1933.

The Fourth Session of the Seventeenth Parliament

To give early effect to the Trade Agreements concluded at the Imperial Economic Conference in August, Parliament was summoned to meet on Oct. 6, 1932. Autumn sittings lasted until Nov. 25 and during this time the Speech from the Throne was debated and measures ratifying Trade Agreements made by Canada with the United Kingdom, the Irish Free State, the Union of South Africa and Southern Rhodesia, were enacted. Resuming on Jan. 30, 1933, the Session continued until May 27, with legislation based on the Report of the Royal Commission on Railways and Transportation, the Budget and Redistribution assuming the chief importance. It was a Session marked by lengthy debates on a wide variety of subjects, with Opposition forces vigorous in attack and the Government contenting themselves largely with stating their position and refraining from much oratory in defence. His Excellency the Earl of Bessborough, Governor-General of Canada, performed the opening ceremony with customary formality and also officiated at Prorogation on May 27.

The Speech from the Throne opened with a reference to the Agreements made at the Imperial Economic Conference, which, it was stated, "provide the means by which will be developed an enduring and mutually beneficial scheme of closer Empire economic association." The early approval of these Agreements was declared to be advisable in the national interest. It was next announced that the Report of the Royal Commission on Railways and Transportation would be laid before Parliament and "in view of the conclusions and recommendations contained in that Report your attention will be invited at the earliest possible date to a Bill designed to ensure more effective and economical operation of Canadian railways upon the basis of fair competition, secured in such manner as will avoid extravagant and harmful duplication of services."

Referring to the Treaty entered into between Canada and the United States for the completion of the St. Lawrence Waterway, the Speech intimated that "upon its ratification by the duly constituted

authority of the United States, the Treaty will be submitted to you for approval." Appointment by Order-in-Council of a committee to inquire into the operation of the Pension Act was referred to. It was stated that the problem of unemployment still continued to receive the anxious attention of the Ministers. In this connection it was announced that under powers granted at the previous Session of Parliament, there had been developed further, in co-operation with the Provinces and Municipalities, a scheme of direct relief to be put in operation during the Autumn and Winter months. Plans for the re-establishment of the unemployed in various parts of the country were also in preparation. The Speech indicated that Members would be invited to consider a Bill for the redistribution of representation of the Provinces in the House of Commons; and that they would be asked to extend Canadian bank charters for one year pending the holding of the proposed World Economic and Financial Conference. In closing, the Speech noted "definite signs that the acuteness of the depression is passing."

The Address-in-Reply was moved on Oct. 10 by Percy G. Davies, recently elected Conservative Member for Athabaska, and seconded by Georges P. Laurin, Conservative Member for Jacques Cartier. The Leader of the (Liberal) Opposition, Rt. Hon. W. L. Mackenzie King, followed. He took up paragraph by paragraph the matters dealt with in the Speech; gave his views with respect to the Imperial Economic Conference, and moved, seconded by the Hon. W. R. Motherwell, the following Amendment:

"That the following be added to the Address to His Excellency:

"Whilst reserving any expression of view upon the merits of the Agreements concluded at the recent Imperial Economic Conference, this House is of the opinion that the tariff policies of the present Administration have seriously injured the trade of Canada and have intensified the economic depression, and that the Government has wholly failed to afford a remedy for unemployment and agricultural distress as pledged by the Prime Minister.

"The House regrets that, except the dole, the Government has no policy with respect to the relief of unemployment.

"It also deplores the Government's obvious endeavour, by postponing the revision of the Bank Act, to avoid consideration by Parliament of the all-important subjects of banking, credit and currency."

During his criticism of the Government, Mr. King declared that they had kept the House in ignorance of the text of the Trade Agreements and had not afforded the Members time to study the Report of the Transportation Commission; advocated the introduction of proportional representation and the alternative vote when redistribution was being considered; rallied the Administration on going back on their policy of "an all-Canadian project" in signing the St. Lawrence Waterway Treaty; charged that the Speech gave no information as to policy with respect to soldiers' pensions; claimed

that the Government no longer had any policy for unemployment; advocated the creation of a national commission on unemployment and the immediate appointment of a Parliamentary Committee to take up the question of unemployment insurance; while characterizing postponement of revision of the Bank Act as a "mere pretence" suggested that the Banking Committee might well explore at once the advisability of establishing a central bank; and charged that, instead of improving, business was falling off and unemployment increasing, due largely to the tariff policies of the Government. In the concluding portion of his speech Mr. King dealt with the Imperial Economic Conference along lines which he elaborated later while the Trade Agreements were under consideration.

The Prime Minister (Rt. Hon. R. B. Bennett), who followed, dealt at once with Mr. King's strictures on the Conference, claiming that the Opposition Leader was showing his spleen "that there should have been a Conference in Canada in which he did not take part." Answering the *innuendo* as to there being a change of policy on the St. Lawrence Waterway question, he explained that a study of the provisions of the Treaty would show that the rights of Canada were secure. Speaking of unemployment, he pointed out that the disease was world-wide. When Great Britain went off the gold standard, Canada had been struck the greatest blow she had ever experienced. Through it all the Government had been optimistic and had endeavoured by every means in their power to restore the morale of the people. He denied that appointment of a commission was the proper course, as administration rested with the Provinces. Dealing with revision of the Bank Act, he emphasized the importance of the approaching World Economic Conference and declared that it would not be fair to the Canadian people to grant bank charters for ten years and then in a year, when changes might be desired, be met with the statement by the banks that charters must not be touched without adequate compensation. He had a word of praise for Canadian banks, which had maintained their integrity, and added: "This result in Canada has not been effected by accident; it has been effected through the most tireless efforts both day and night on the part of the Administration to see that that precious thing called public credit, upon which the integrity of this country has depended for half a century, should be maintained and that no cheap nostrums in the form of quack remedies supplied by printing presses should take the place of a proper discharge of our contractual obligations." Concluding, Mr. Bennett dealt with the Opposition Leader's charge that Canada's difficulties were due to the Government's tariff policy. He explained that the tariff had been raised by his Government, not for the purpose of protection, but to afford employment for Canadians. Had it been possible, he maintained, for the cheap products of Europe, for the products of the United States, to come uninterruptedly into the Dominion, the entire industrial fabric of the country would have been wiped out in the last two years.

Robert Gardiner, Progressive Leader, also dealt with the various items in the Speech from the Throne one by one. Coming to the question of unemployment, he mentioned particularly the reference to the re-establishment of the unemployed and said he believed it was the height of folly to take people from the cities and place them on abandoned properties. It merely involved an exchange of unemployed. On the extension of bank charters, he felt there was a good deal to be said for the proposal. He took issue, however, with the statement in the Speech that the acuteness of the depression was past. He saw no reason to say that this was so. He dealt with agricultural conditions in Western Canada and the hardships experienced by the grain growers, contrasting their situation with that of the farmers of Australia, who, he stated, were in a much more favourable position than the farmers in Canada. This, he showed, was largely due to the depreciated currency of Australia. He proceeded to discuss the evolution of the social system, directing attention to the fact that "we have new problems to meet such as we have never had before, even in the last depression, and old methods will not meet these new problems; we must devise new methods if we are to cope with the situation as it exists."

J. S. Woodsworth, Leader of the Co-operative Commonwealth Federation group, congratulated the Leader of the Opposition on his conversion to many of the policies advocated for several years by the Labour group in the House, but chided him for failure to take action when in power; expressed agreement with policies advocated by Hon. Ian Mackenzie (Lib., Vancouver Centre) in his speech before the Laurier Club of Vancouver on Sept. 27 (1932); criticized the Prime Minister for lecturing "the poor people on the spiritual advantages of their poverty"; took issue with statements in the Speech from the Throne that conditions had improved; charged that the Speech contained no indication of any comprehensive programme to meet changed world conditions; congratulated the Prime Minister on "his changed attitude towards Russia" as evidenced by the permission given to import raw furs and oil; criticized the Government for extending the bank charters, thus giving the banks "a chance to exploit Canada for another year"; and quoted paragraphs from *The Economist*, London, (Aug. 27) in criticism of the Imperial Economic Conference and its Agreements.

The Debate on the Address was continued on Oct. 11, 12, 13 and 14 but at this juncture its consideration was superseded by the Debate on the Motion for the approval of the Empire Trade Agreements, which lasted until Nov. 3. Throughout the Debate on the Address, which was concluded on Nov. 4, only Opposition speakers participated, the Government being subjected to a steady fire of criticism from 23 Liberal, 6 Progressive and 2 Labour Members.

On Oct. 13 G. G. Coote (U.F.A., Macleod) moved that the Amendment be amended by adding the following words:

"And urges that the Dominion control of currency and credit should be so exercised as to provide and maintain sufficient purchasing power to,

"(a) Raise the price of agricultural products and other primary commodities to an equitable level in relation to the cost of production and the settlement of outstanding liabilities, public and private;

"(b) Increase consumption, thereby stimulating industry and providing employment for our people;

"And that the issue of this currency and credit should be based upon the natural wealth and productive capacity of this country, not, as at the present time, upon one single commodity, gold, and that its volume should be determined by the goods and services to be dealt with, and the legitimate requirements of the people;

"The House is further of the opinion that this step should be taken in the immediate future, pending other fundamental changes, and as an integral part of a system of planned economy, which is becoming generally recognized as essential, in order that the natural wealth and productive energy of this country may be utilized to provide a satisfactory standard of living for all our people."

At the conclusion of the Debate on Nov. 4 the House divided on the Amendment to the Amendment, which was negatived by 66 to 18. Voting with nine Progressive and Labour Members for the Sub-Amendment were nine Liberals, while seven other Liberals opposed it. The Amendment itself was negatived by 60 to 30 and in this case five Progressive and Labour Members supported the Liberals. The main Motion was then carried, no vote having been taken.

The Imperial Economic Conference Agreements. The passage through the House of Commons of the four Trade Agreements negotiated at the Imperial Economic Conference (See *The Canadian Annual Review*, 1932, pp. 319-326), between Canada and the United Kingdom, the Irish Free State, the Union of South Africa and Southern Rhodesia, respectively, was not accomplished without the overcoming of protracted opposition on the part of Liberal, Labour and a group of Progressive Members. From the time that the Prime Minister (Mr. Bennett) on Oct. 12 introduced his Motion approving of the Canada-United Kingdom Agreement until third reading was given the Bill embodying the Agreement on Nov. 22 each step in the legislative procedure was fought persistently by Opposition Members.

In introducing his Motion Mr. Bennett said: "These Agreements mark the first forward step in a definite scheme of closer Empire economic association. They are based upon the principle enunciated by the Conservative Party before the last General Election and steadfastly supported by it from that time to the present. They conform to the general plan proposed by this Government at the Economic Conference held at London two years ago, reaffirmed at the Ottawa Conference, and adopted in a very practical way by the Agreements which are the outcome of its deliberations."

In the course of his speech on this occasion Mr. Bennett recalled that at the Economic Conference held in London in October, 1930, he had submitted a plan for closer economic association, predicated upon the general adoption of preferential tariffs. At that time the Empire as a whole had not been ready to accept the plan. At the Conference at Ottawa he had re-submitted in principle his earlier proposal, offering the United Kingdom: (1) an extension of the list of articles admitted free into Canada from Empire markets;

(2) retention of the existing preferences in favour of Great Britain; and (3) increased preferences in respect of a selected list of articles in which Great Britain was especially equipped to supply the Canadian market without injuring efficient Canadian industry. In exchange he had asked for (1) the retention of existing preferences and (2) their effective extension to those other natural and processed products of which the United Kingdom was an importer. His proposal further involved the adoption of measures to safeguard the operation of the Agreement from the unfair competition of countries whose state-controlled standards of living, state-controlled labour and state-aided dumping, dictated by high state policies, conflicted in theory and in practice with the free institutions of the British Empire. "In brief," said Mr. Bennett, "I proposed that we should secure tariff preferences in Empire markets for our natural products, as well as wider markets for our manufactured products, by granting in the home market tariff concessions to Empire manufacturers."

He then proceeded to review the Agreements. Taking up first the Canada-United Kingdom Agreement, he pointed out that 262 items of the Canadian tariff had been amended in rates or wording or both. Of these, 37 were existing items in which the amendments were purely technical in character, while 225 actually altered existing tariff schedules. Of the latter 223 represented material increases in the British preference. The mere arithmetical total, however, did not begin to reveal the significance of the proposed fiscal arrangements. He instanced such an item as chemicals and drugs of a kind not produced in Canada, which embraced an almost illimitable field. He then explained the arrangements entered into with respect to iron and steel products, textiles, leather, chemicals, glass and vegetable oils.

Touching on the functions of the Tariff Board in connection with the working out of the Agreement, the Prime Minister pointed out that "it was our purpose to adjust our preferential tariff so as to place the United Kingdom producers on that basis of fair competition with ours that has been afforded to us by continued free entry into their markets." Upon representation of the British Government the duty would devolve on the Tariff Board to make a survey of the relevant facts touching production, labour costs and the like in the industries affected in order that Parliament should have the facts necessary to enable it to see that the Government of the day was carrying out in spirit and in letter the obligation solemnly given to the United Kingdom Government.

Mr. Bennett then turned to the concessions granted Canada by the United Kingdom, mentioning first the free entry into the United Kingdom market for manufactured products (except in respect of a very limited list of goods) and the advantage of current tariffs against foreign countries. The free entry provided by the British Import Duties Act of Feb. 29, 1932, he explained, was extended by Article I of the Agreement from Nov. 15, 1932, during the currency of the Agreement. The Import Duties Act had already had a stimulating effect on the export of a variety of Canadian products and this would be continued under the Agreement. Under Article 8 of the Agreement Canada was also assured of the benefit of ever growing preferences in the colonial Empire.

Then, said Mr. Bennett, "for many of our natural products we have secured preferences which, with industry on our part and capable marketing, will undoubtedly give us a substantial place in the markets of the United Kingdom. These preferences practically cover the entire range of our natural products." He entered into considerable detail in dealing with these preferences, quoting statistics to show the advantages to be gained in the sale of timber, fish, minerals and agricultural products.

Dealing briefly with the Trade Agreement concluded with the Union of South Africa, Mr. Bennett stated that it provided for preferences on a number of important foodstuffs, forest products and manufactured goods for which South Africa offered opportunities for the extension of Canadian trade. The Trade Agreement with the Irish Free State secured for Canadian products

the benefit of the lowest rates of duty accorded to similar goods produced by any country, while the products of the Irish Free State, when imported into Canada, were accorded the same tariff treatment as similar goods imported from the United Kingdom and Northern Ireland. The Trade Agreement with Southern Rhodesia provided for the exchange of preferential treatment on selected lists of commodities. Conversations had been held with the Indian delegation which it was hoped would lead to the conclusion of a trade agreement between Canada and British India. Conversations had also been held with the representatives of Australia on the question of extending and enlarging the Trade Agreement of 1931 and with the representatives of New Zealand on the question of the extension of the one-year Agreement concluded on Apr. 23, 1932.

Mr. Bennett concluded with a reference to the term of the Agreements. Pointing out that the practice of preceding Governments had been to initiate trade agreements for a maximum period of 12 years and for periods of five years and less, he stated that the present Agreements would be in existence for a period of five years and thereafter would be subject to a six months' notice of termination. "We believe," he said, "that not less than five years will be required in order fully to demonstrate the value of these undertakings, and we are satisfied that if stability is desired, as it is, and if the value of the Agreements is to be tested, any period less than that would be too short a time in which to try an experiment so great."

There was a protracted Debate on the Prime Minister's Motion. It was continued at thirteen consecutive sittings of the House and, including Mr. Bennett's speech in introducing the Motion and his speech in closing the Debate, exactly 100 speeches were delivered. First in the attack was the Rt. Hon. W. L. Mackenzie King, Leader of the Opposition. In a speech on Oct. 17 lasting for three hours and forty-five minutes, he entered into a thorough examination of the Canada-United Kingdom Agreement and presented an array of arguments against its terms. His speech gave the lead for much of the subsequent criticism of the measure, as voiced by his followers in the House. Commencing with an outline of the history of Imperial Preference, he declared: "We (the Liberal Party) were the originators of the British Preference; we have maintained it against the opposition of honourable Members opposite and we have done more than all other Parties combined to make the British preference a success." He believed that the Prime Minister was the first person in any Parliament of the British Empire ever formally to suggest that a preference should be given by way of increasing rather than decreasing tariffs. In this there was a fundamental difference between the two Parties and he recalled Sir Wilfrid Laurier's assertion that the last thing he would ever think of in seeking preference from another country of the British Empire would be to interfere in the domestic affairs of that country or to ask its Government to alter its fiscal policy. This view had also been held strongly by Sir John A. Macdonald and it had been the view of Sir Robert Borden and Rt. Hon. Arthur Meighen.

Mr. King reviewed what had transpired at the Conference of 1923, the concessions voluntarily offered at that time and the subsequent defeat of the British Government of that day. "If honourable gentlemen opposite," he declared, "are going to claim that they have won something that was not won in 1923, because in 1923 the people were allowed a voice as to whether or not they should be taxed on their food, whereas the matter to-day is being put through in a way which will prevent anything of that kind, then they are taking a course that is very dangerous not only for this country and for the Old Country but for the future of the British Empire as a whole. It is on that ground, above every other, that I say to my right honourable friend at this moment, that before tariff schedules are changed in a manner which is going to impose increased duties generally on the people of Canada and increased duties in the way of taxes on food upon the people of Great Britain, the people of Canada and Great Britain should have a right to express their views with regard to the matter."

The Leader of the Opposition declared that the Liberal Government's method had been "one of voluntary concession arrived at as the result of negotiation, aiming to discover what is of mutual interest and benefit," whereas that of the Conservative Government was one of "blasting and blockading, the essence of the bargaining method, appealing as it does to the hardest instincts in human nature." He intimated that if as a party they were again returned to office, their first objective would be to bring the tariff of Canada back to where it was when they went out of office. They would also undertake to give to the trade of the United Kingdom, where goods were imported through Canadian ports, a British preference averaging 50 per cent. of the general tariff.

Mr. King deprecated language on the part of the Prime Minister which would infer, he claimed, that those who had dared venture to take exception to features of the Agreement "are lacking in patriotism and loyalty to the Empire"; and recalling Mr. Bennett's claim that the Agreements were "based upon the principle enunciated by the Conservative Party before the last General Election", argued that, were the Liberals to support the Agreements, "for all time to come we would be confronted with the charge that in approving these Agreements we had endorsed the principle of protection, the historic policy of the Conservative Party."

In his examination, Article by Article, of the Agreement, Mr. King's principal criticisms were that tariffs were being raised instead of lowered; that the hands of future Parliaments were being bound; that the terms of the Agreement precluded the making of satisfactory trade agreements with other countries; and that there was unwarranted interference by one part of the Empire in the affairs of another part of the Empire. He was particularly critical of the Articles dealing with the establishment of the Tariff Board and with its functions. "The Tariff Board of Canada," he declared, "is to be moved into action at the instance, not of Canadians, not of consumers, not of any classes in this country, but at the instance of the British Government. In other words we are to have a Government of another part of the Empire say when our tariff machinery is to be put into motion where it relates to matters pertaining to the Tariff Board." He predicted that this would make difficulties between the two countries. He regarded the five-year term of the Agreement as one of its most objectionable features. "There is all the difference in the world," he said, "between an agreement which runs for a period of years, but which leaves Parliament free to act as it thinks best with regard to tariffs, and an agreement which is fixed for five years and which says that on many items the Governments concerned cannot alter their tariffs in that period of time, whether or not they may wish to do so." Combines and monopolies would be created as a result; in short, he stated, it was a Tory conspiracy to establish a protectionist *Zollverein*.

J. S. Woodsworth, Leader of the C.C.F. group, spoke on Oct. 21. His attack was on the ground that "the Conference offers no solution of any one of our major problems." So far as he could learn, unemployment had not been discussed. Canadian labour was not represented; there were no farmers; the public generally was not represented. "Essentially it was an arrangement between business men and those who represented primarily the interests of business men." He found that "it has left domestic affairs even more complicated and less hopeful than they were before the Conference met."

During the Debate four efforts were made to introduce Amendments to the Prime Minister's Motion. The first Amendment submitted was tentatively introduced on Oct. 17 during the course of the Opposition Leader's speech but was not definitely moved until Oct. 20, when it was sponsored by Hon. J. L. Ralston. It was in five parts: (1) welcoming "such terms of the Agreement as propose the reduction of existing duties, as well as those which in any way tend to increase the possibilities of greater demand for Canadian products"; (2) emphatically condemning "the features of the Agreement which show increases in an already unreasonably high tariff"; (3) disapproving in the strongest terms "of the effect of the Agreement whereby the present

Government has precluded Canada from exercising the right, which is vital to the prosperity of the Dominion, of making trade agreements for the marketing of her products abroad," (4) expressing concern "that the Agreement gives no definite assurance that regulation by Order-in-Council, imposing arbitrary and wholly unwarranted restrictions on trade, will be abandoned"; (5) reaffirming "the principle of British preference, which has been the policy of the Liberal Party since 1897," and expressing the conviction "that had the tariff provisions of May 1, 1930, prevailed, Canadian products would have enjoyed advantages in British markets immeasurably greater than any which they can hope to obtain under the proposed Agreement." The Speaker ruled this Amendment out of order on the ground that paragraph one expressed approval of part of the Agreement and, therefore, was not an Amendment; that paragraphs 2 and 3, being direct negatives of part of the main Motion, were, therefore, not in order and that paragraphs 4 and 5 affirmed general principles which could not be moved as Amendments to Motions of this sort though they might be moved on other occasions.

A second unsuccessful attempt to introduce an Amendment was made by Hon. Charles Stewart (Lib., West Edmonton) on Nov. 2, when he moved "that this Motion be not put until after the fiscal changes proposed by the rates set forth in Schedule E attached to said Agreement and forming a part thereof, which schedule of rates has been referred by this House to its Committee of Ways and Means, have been considered in said Committee." The Speaker again declared the Amendment not in order, as to move that a Motion be not put was not an Amendment.

The third attempt to amend the Motion was successful in so far as its acceptance by the Speaker was concerned. On Nov. 2, G. G. Coote (U.F.A., Macleod) moved that the following words be added to the Motion: "and subject also to establishment of parity of the Canadian dollar with the British pound." The Speaker allowed this Amendment to stand, in spite of the protest of Hon. Hugh Guthrie, Minister of Justice, who argued that it was not relevant to the Motion. At the same time Hon. H. H. Stevens, Minister of Trade and Commerce, made an appeal for its withdrawal. He expressed sympathy with the cause advanced by Mr. Coote but declared that forcing such an Amendment at that stage would jeopardize the Agreements. The House divided and the Amendment was negatived, 109 to 71. Conservatives voted solidly against the Amendment and had the support of W. H. Moore (Lib., Ontario) and Henri Bourassa (Ind., Labelle).

The fourth Amendment was also submitted on Nov. 2. It was sponsored by T. F. Donnelly (Lib., Willow Bunch) and provided for the addition of the words: "that any approval hereby granted shall not be held to restrict or prejudice any course of action which may be proposed for consideration or which may be adopted at the forthcoming World Economic Conference." After a short argument in which the Prime Minister maintained that the Amendment was not in order "because it declares something that has no relation to these proceedings," while the Leader of the Opposition submitted that it was wholly in order "because the passing of this Agreement will affect what will take place at the World Economic Conference", the Speaker ruled that the objection was well taken and the Amendment was not relevant to the Resolution before the House.

The Prime Minister closed the Debate on Nov. 3. He devoted much of his time to an effort to demonstrate that, in opposing the Agreements, the Liberal Leader and his followers were sacrificing "the great history and tradition" of the Liberal Party. For this purpose he went back to 1897 and traced the stand of Sir Wilfrid Laurier and his lieutenants at successive conferences down to 1911. "From 1897 onward," he declared, "Sir Wilfrid Laurier, realizing that he had been giving something for nothing, earnestly hoped and, indeed, quietly urged that concessions should be made by Great Britain by granting preferences to Canada. His hopes, however, were not realized." Passing on to the Economic Conference of 1923, Mr. Bennett sought to show that the Liberal Leader (Mr. King) at that time had "espoused and supported" the same policy and then coming to the 1932 Conference he asked:

"And what has happened? The same Empire, the same problems, and in most respects the same personnel, and they solved the problems and arrived at an Agreement which is now before the House. Yet the Liberal Party is asked to go out and fight it, notwithstanding that in 1923 the same Leader of the same Party, then Prime Minister, now no longer such, espoused and supported it; but being in opposition he must now oppose it."

Running rapidly over some of the reasons given for opposing the pacts, Mr. Bennett noted that one objection was that the policy was still that of high tariffs. To this he replied that "no man who has any regard for his country, its economic structure and its life would dare to destroy it, as would be done if the suggestions made by honourable gentlemen opposite were adopted." There was the objection that the Agreement had closed the doors of the world's markets. His reply was that "this great family council met together for the purpose of discussing Empire preference, not foreign preference." Complaint had been made that rates had been fixed for five years, yet the former Minister of Justice (Mr. Lapointe) had said "that you cannot draw up an agreement or any other contract unless you have a period of time in which to do what you agree to do." To the objection that "our sovereignty is interfered with," he replied, "I wonder if this House realizes that every contract made by any Government is to the extent of its terms a restriction upon the free exercise of its powers. Trade channels cannot be developed in a year or two. One of the reasons why we have a period of years within which to try out this Agreement is that it is essential that channels of trade be established, and the establishment of channels of trade takes time." Again, it had been charged that there had been a usurpation of power by the Executive but, said Mr. Bennett, "someone must negotiate, and the Executive assumes that power because that is the function of an Executive. In this Agreement we have provided that the will of the Executive shall be subject to the control of Parliament and that Parliament must give its approval to the action of the Executive."

Mr. Bennett charged that the real reason for the Liberal Leader's opposition to the Agreements was "resentment that he was no longer in the spotlight," while he also found that "the leadership taken of the forces opposite by the honourable Member for Winnipeg North Centre (Mr. Woodsworth) was another reason for hostility to the Agreements. "These Agreements," he explained, "interfere with his plan . . . a plan of a co-operative commonwealth modelled in government administration on Soviet Russia." It had been as a result of this that the Opposition forces had united the previous night and had voted "on the one hand for inflation and on the other to approve the Agreement—an Agreement they had opposed for three weeks—if we would only add something to it! So the swing to the left is complete. Is that why they have opposed this Agreement?"

The Prime Minister, dealing with the Opposition's claim that Canada would have had free entry into the British market in any case, recalled that in April (1932) the Leader of the Opposition had warned the Government of the danger that, unless special arrangements were made, duties would apply against Canadian goods after Nov. 15. By Article 1 of the Agreement, he pointed out, Canada had secured the extension of free entry into the markets of the United Kingdom. Mr. Bennett then proceeded to review some of these preferences, chiding Opposition Members individually for their intention of voting against them. "To-night," he said, "they will vote against a preference for which their Party struggled for a quarter of a century, in order that they may gratify the wishes of the right honourable Leader of the Opposition, who once sought preferences on the same commodities." As he wound up the Debate the Prime Minister said: "I now call on this House of Commons and the people it has sworn to serve to witness the vote of the Conservative Party and of all those like my friend, the honourable Member for Hants-King's (Mr. Hsley, Liberal), and those besides who, in fairness to Canada, elect to give this Agreement a fair and honest trial; to witness their vote, which is their pledge to support the Agreement, which is their promise to keep faith, the proclamation of their belief in closer Empire economic asso-

ciation, their denunciation of all forces that threaten it, and which is the crowning proof that they do not doubt that within the British Commonwealth the welfare of this Dominion is assured."

The Prime Minister's Motion approving the Agreement was then carried on a vote of 128 to 80. One Liberal, James L. Hsley (Hants-King's) and six Western Progressives, D. M. Kennedy (Peace River); W. T. Lucas (Camrose); Alfred Speakman (Red Deer); Michael Luchkovich (Vegreville); M. N. Campbell (Mackenzie) and A. M. Carmichael (Kindersley) voted for the Motion.

With the introductory Motion disposed of, the four Bills necessary to put the Agreements into effect were given their first reading. The Irish Free State Bill was the first to come up for second reading. This was given on Nov. 7 and the same day the Bill passed through the Committee stage and was reported for third reading. The Bill embodying the Agreement with Southern Rhodesia passed the two stages with equal celerity. Then followed the Agreement with the Union of South Africa. This was debated at greater length, the measure occupying most of the time of the House on Nov. 7 and coming up again on Nov. 8. On this same day the Opposition renewed their attack over the second reading of the Bill respecting the Canada-United Kingdom Agreement, in moving which the Prime Minister (Mr. Bennett) retraced part of the ground covered in previous discussions. He devoted some attention to the position with respect to trade with the Russian Soviet as affected by the provision with regard to fair competition. The British trading Agreement with Russia, he explained, would lapse by reason of notice given by the British Government in accordance with the Agreement, but he added: "There never has been a prohibition of trade with Russia, either in Canada or Great Britain." Canada had given notice terminating her diplomatic relations with Russia but she had not terminated her commercial relations. What had taken place was that the importation of certain articles had been prohibited where competition had been unfair. The question of the importation of oil had been raised. This was still under advisement but he stated that if it became apparent "that this imported petroleum product, call it what you may, is calculated to frustrate the operation of the Agreement as it now stands with regard to the Island of Trinidad, then there will be an embargo against the importation of that oil into Canada."

Coming to Canada's concessions to the United Kingdom he admitted that "it is perfectly true we bound ourselves for five years to maintain in a general way the tariff structure that I have mentioned," yet provision had been made in Article 23 for consultation regarding changes. He next answered the charge that tariff reductions had not gone far enough by pointing out that the United Kingdom was evidently satisfied with the Agreement since it had been passed by the British Parliament. This led him to a defence of the tariff increases of 1930 and 1931, with special reference to the position of the textile industries. He touched again upon the functions of the Tariff Board and outlined what had been done by the Government to meet the depreciation in the value of the pound sterling, which in some cases had meant the wiping out of the tariff. They had been censured for what they had done but "as a matter of fact, the representatives of the British producers in this country expressed the view that it was not an unfair arrangement; that is, that having made our computations and arranged our fiscal system on a basis of the par value of the pound, we arbitrarily reduced it to \$4.40, believing that the effect of England going off the gold standard would be to raise commodity values by substantially ten per cent." He concluded by commending the Agreement to the House "as worthy of at least a trial during the period of time that is fixed; for it is my belief that within the four corners of this and the other Agreements that have been submitted to this Parliament lies the best insurance we can have of the return of that stable prosperity which it is the earnest desire of us all to see in this country."

The Leader of the Opposition (Mr. King) followed and again launched an attack on the method of procedure. He charged that the schedule of

tariff changes amounted to "a revision of the Canadian tariff, more extensive, certainly more serious, than possibly any other revision that has been made in the Canadian tariff since we have had a tariff"; that it was part of a new Imperial tariff policy and that it aimed at making a permanent tariff by rendering it impossible for the House of Commons over a period of years to reduce duties beyond a certain level. He submitted "that in those circumstances this House of Commons should have had, and ought still to have, before it is asked to approve this Agreement, full opportunity of discussing all these tariff items in detail." He took issue with the Prime Minister (Mr. Bennett) who had stated that the procedure was similar to that when the Budget was brought in. The Bill confirming tariff changes under the Budget was not introduced until after Resolutions had been approved in Committee of the whole House. On the other hand the Bill approving the Canada-United Kingdom Trade Agreement was being passed before the House had had an opportunity to discuss the Resolutions in Committee of Ways and Means. It was denying the House of Commons "its oldest, most fundamental, and most sacred right."

Taking up the Prime Minister's speech in closing the Debate on the Motion approving the Agreement, Mr. King charged misrepresentation of the Liberal Party's position with respect to inter-Empire trade and particularly of that of Sir Wilfrid Laurier. Going back to 1892 when a Resolution was introduced by a Conservative Member stating that, when the British Parliament admitted Canadian products on more favourable terms than were accorded foreign countries, the Canadian Parliament would be prepared to accord corresponding advantages by a substantial reduction in the duties imposed on British manufactured goods, and an Amendment was moved by the Hon. Sir Louis Davies, a Liberal, to the effect that as Great Britain was then admitting the products of Canada free of duty, the scale of duties on goods mainly imported from Great Britain should be reduced, Mr. King sought to show that the Liberal Party had consistently followed the latter policy. This led him into an extended examination of the Conferences of 1897, 1902, 1905, 1907 and 1930, with copious quotations from statements and reports, and references to what Mr. Bennett had said. "I think," he said in concluding this portion of his speech, "I have fairly completely reviewed the record of the Prime Minister's representations of the Liberal point of view with respect to preferences. I should hope that hereafter any honourable Member who wishes to be fair in the matter will not endeavour to represent the policy of the present Conservative Administration with respect to preference as being that of the Liberal Party at any time, and in particular as a policy which Sir Wilfrid Laurier advocated at any time in his long and illustrious career."

Mr. Bennett had sought to imply that Sir Wilfrid Laurier would have endorsed what was being done and this had been his reply to the charge that tariffs had been raised. Mr. King described this as an "amazing answer." He also denounced the Prime Minister's statement that the Liberals were "voting against the Agreement because of certain duties in Great Britain." They had no objection to what Great Britain had done. "In so far as what she does may improve our opportunities for trade in Great Britain, we will be grateful; and, if we were in office, we would show our gratitude by helping to improve her opportunities for trading in Canada." What they did object to, he said, was the Canadian side of the Agreement. "We object," he declared "to the part played by the Prime Minister of Canada and his colleagues, a part which, I venture to say, they were never requested in any shape or form to play, namely, in raising still higher tariffs already inordinately high, and then after creating margins of preference, inserting in the Agreement a provision that for a period of five years these margins of preference must not be changed." He further charged a deliberate effort on the part of the Prime Minister and his colleagues "to make it difficult or impossible for Canada to negotiate trade agreements with other countries." This, he said, constituted "the very crux of the whole situation." It was a case of "shutting out the

foreigner" or making nations outside pay tribute for the privilege of trading within the British Empire.

"The implications of this Agreement," said Mr. King, in closing his speech, "go far beyond any mere question of trade, far beyond anything in the nature merely of an economic issue. It affects the whole political future of this country and of the British Empire. It is a complete reversal of that for which, during the last five decades, men of all parties, but more particularly members of the Liberal Party, have striven in the evolution of the Empire." He challenged the Prime Minister to go to the country on the issue.

Following Mr. King, Henri Bourassa (Ind., Labelle), expressed the view that "this is perhaps the most important piece of legislation that not only this Parliament but any Parliament since Confederation has been called upon to consider." He recalled the history of the British preference and charged that "either as a Canadian policy or as an Imperial policy, so-called, the preferential policy is the cleverest—I was going to say the most devilish—device to maintain the principle and practice of protection." He further challenged the view that the Liberals had not tried to force protection on Great Britain, stating that at the Conference of 1902, "the threat was there and the warning was given that if the bargain was not fulfilled by the British Government, the Canadian Government would revise its policy."

Speaking on Nov. 9, Hon. W. R. Motherwell (Lib., Melville), former Minister of Agriculture, characterized the wheat preference in the Agreement as "a piece of sham and pretence." "We got a nominal preference with one hand, from the Rt. Hon. Stanley Baldwin, at the instance of our Prime Minister," he explained, "and then with the other hand Mr. Baldwin took it away by saying that we must supply wheat at world prices—exactly what we have been doing for over fifty years." Mr. Motherwell declared that "the only way we can sell larger quantities of wheat in Great Britain is by means of the *quota*."

The vote on the Motion for second reading which was taken on Nov. 9, stood 92 to 57 in favour of the measure. The Government again had the support of J. L. Hsley (Lib., Hants-Kings) and the six Progressives who had voted in favour of the Resolution. The House at once went into Committee on the Bill and worked steadily at the Articles and Schedules until Nov. 21. During this period several interesting Debates took place on various features of the Agreement. When Article 1 was under consideration, Opposition speakers directed their efforts towards showing that the guarantee of preference by the United Kingdom was quite limited and that there was nothing in the Agreement which automatically extended to Canada preferences specifically extended to other parts of the Empire. To both these points Government speakers made reply. Discussion of Article 2 on Nov. 10 centred mainly on the interpretation to be placed on the British regulation governing shipments entitled to the preference, as this affected the movement of wheat through Buffalo and other United States ports. When Article 3 came up Mr. King spoke vigorously against the interference expressed in the provision that the United Kingdom could not reduce duties "except with the consent of His Majesty's Government in Canada." Mr. Bennett ridiculed this "constitutional problem" and declared that the provision simply meant that "there shall be no reduction of the 10 per cent. preference unless both parties agree to it." Much of the discussion centred on lumber.

Article 9 dealing with the duties to be imposed by Canada on goods specified in Schedule E was taken up item by item but before this was done, Mr. Mackenzie King again voiced his disapproval of the binding character of the arrangement and of the raising in many cases of the intermediate tariff to the level of the general tariff, thus making it next to impossible to arrive at trade agreements with other countries. Answering the Opposition Leader, Mr. Stevens stated that Schedule E only constituted about one-fifth of the whole tariff, leaving the balance free for negotiation. Parliamentary freedom was still present, he declared, though "we expect Parliament to respect this Agreement just as this and other Parliaments have respected the Agreements which were made by the right honourable gentleman for four and twelve-year

periods." As discussion on the items developed, Opposition speakers aimed to show among other objections that few real preferences were given United Kingdom producers, as dumping duties and methods of valuation shut out imports from Great Britain; that the changes were mainly intended to divert business to Canadian producers; that rates in the intermediate and general tariffs had been raised to almost prohibitive levels, causing very considerable increase in the cost of production in Canada and thereby raising prices to the consumer; that by raising the intermediate tariff to the level of the general tariff, business with other countries was handicapped, causing antagonism toward Canada. These points were answered from time to time by Hon. E. N. Rhodes, Minister of Finance. He asserted that British negotiators had been satisfied with the arrangements; that they anticipated increased business with Canada and that, as far as shutting out foreign countries was concerned, if the incidence of the Treaty was to take away a certain amount of business from other countries, "it is simply the result of the Agreement and it cannot be helped." Items that came in for special attack were those imposing a duty of 10 per cent. under the intermediate and general tariffs on barbed wire and of 25 per cent. on cream separators. In both cases opposition was strong and protracted. On Nov. 18 when items respecting the tariff on cotton textiles were under consideration, a lengthy discussion arose over the question of wages, the charge being made that "our girls are earning the most miserable pittance" and that "protection for industry should be made contingent upon a decent standard of living for the people engaged therein."

The Articles dealing with the appointment of a Tariff Board and its duties were discussed at some length, as was Article 21 which made provision for prohibiting the importation of commodities from foreign countries when the preferences granted on such were "likely to be frustrated in whole or in part by reason of the creation or maintenance directly or indirectly of prices for such class of commodities through State action." The only other Article to develop extensive discussion was No. 22 with respect to the period of the Agreement, and the ground covered was much the same as in the early stages of the Debate.

All four Bills came up for third reading on Nov. 22. The Agreement with Southern Rhodesia was moved first. It was carried on a vote of 105 to 16, the Liberal Leader and 19 of his followers unexpectedly voting for the measure. Its principal opponents were J. S. Woodsworth (Leader of the C.C.F. group), Miss Agnes Macphail (U.F.O., South-East Grey), William Irvine (U.F.A., Wetaskiwin), William Duff (Lib., Antigonish-Guysboro), and Henri Bourassa (Ind., Labelle). On the Motion for third reading of the Irish Free State Bill, Mr. King expressed the view that this Agreement differed from those arrived at with the United Kingdom and South Africa as "it does not involve any increase of duty nor has it that most objectionable of all features, the fixing of a margin of preference for a period of years." He imagined "that most on this side will be prepared to support it." The Minister of Trade and Commerce, Hon. H. H. Stevens, took exception to this view and declared that the United Kingdom and Irish Free State Agreements were practically identical. Whereupon Mr. King rejoined that "the Minister of Trade and Commerce by what he has just said has convinced me that I shall vote not for but against this Bill." The House divided 89 to 48 and the Bill was read a third time and passed. Olaf Hanson (Lib., Skeena) and the six Progressives supported the Government, while Armand LaVergne (Con., Montmagny) voted against it. There was no discussion on third reading of the South African Bill, which was carried on a vote of 92 to 48 but the Opposition groups did not permit the United Kingdom Agreement to pass without further protest. Mr. King returned to the attack on the procedure, contrasting it with the procedure on the corresponding measure in the British House of Commons. "I submit," he declared, "that the whole proceeding has been irregular and that it is contrary to British parliamentary practice and also to our own constitution which governs the powers and procedure of this

Parliament." He then asked, "Is there a motive in all of this so sinister that the Administration itself is not perfectly frank with Parliament in regard to the full meaning and significance of these measures?" They were not a series of independent bilateral agreements, he explained, but were inter-related by means of clauses and schedules so that "hereafter it will become impossible for independent action to be taken by the Parliament of Canada with respect to most of its own tariff."

The Minister of Finance in his reply declared that "our procedure, as the records of this House will disclose, is precisely in conformity with the procedure which my right honourable friend pursued during his tenure of office. Not only is that the case, but I repeat, it is the logical course in the circumstances, because if the Agreement had not been approved by this House, we would not be called upon to make the corresponding tariff changes in Committee of Ways and Means." Henri Bourassa (Ind., Labelle) voiced a protest against the obstacles placed in the way of negotiating a treaty with France by raising the intermediate tariff to the level of the general tariff on many items obtainable from France, while J. S. Woodsworth (Lab., Winnipeg) repeated his attack on the textile industries demanding that special privileges should not be extended to companies which denied their employees the right of association, the right to decent wages and decent living conditions." The House divided, 84 to 42, on the Motion for third reading. Final action in connection with the Agreements took place on Nov. 24 when, after the House had dealt in Committee of Ways and Means with the tariff changes involved in the United Kingdom Agreement, a Bill was put through amending the Customs Tariff Act accordingly.

The Senate disposed of the Agreements with a one-day Debate on the Motion for second reading on Nov. 24. Hon. Raoul Dandurand stated the objections of the Opposition to the pacts. He mentioned the difficulty of establishing proper trade relations with those nations with which, under the most-favoured-nation clause, "we have been exchanging goods in the past to our very great advantage"; the principle of high tariff on which all the Agreements were based; the binding of the country to maintain the policy enunciated in the Agreements for five years; and the danger of permitting intermeddling as in the right given to the British Government and its nationals to appear before the Canadian Tariff Board. Speeches in support of these viewpoints were made by Rt. Hon. George P. Graham, Hon. Robert Forke and Hon. H. H. Horsey, while the Agreements were strongly approved by Hon. C. P. Beaubien, Hon. W. H. Sharpe, Hon. G. Lynch-Staunton and Hon. E. D. Smith. Rt. Hon. Arthur Meighen, Government Leader, concluded the Debate. He ventured the opinion "that never in my acquaintance with the affairs of Canada has opposition to measures been so manifestly and wholly based upon party considerations than has the opposition to these Bills," and at another point remarked that "if this Treaty had been sponsored by some one else, these murmurings of doubt would have become a hallelujah chorus." There had been a constant cry for wider markets and he asked, "Is there any way of getting wider markets except by such measures as this Bill?" After answering some of the criticisms made against the Agreements, Mr. Meighen said, "I ask honourable Members to keep in view the fact that for many years it has been difficult, if not impossible, to do justice to the agricultural community of this country, under the protective system which we have found necessary. The opportunity to do justice came only when, by virtue of a protective tariff in Great Britain, we were able to get a preference. Let us rejoice that we were able to obtain that opportunity, and let us not postpone for one unnecessary moment the time when the people in our agricultural districts will take advantage of it." Having made their reservations, Opposition Members of the Senate did not oppose second reading and the legislation was completed without division.

The Canadian National-Canadian Pacific Bill. Ranking second only in importance to the Empire Trade Agreements in the Parliamentary

Session of 1932-33 was the legislation based on the Report of the Royal Commission on Railways and Transportation. (For *résumé* of Report see *The Canadian Annual Review, 1932*, pages 537-539). The legislative machinery in this case was set in motion in the Senate and, while the House of Commons was dealing with the Trade Agreements, a Bill entitled "An Act respecting the Canadian National Railways and to provide for co-operation with the Canadian Pacific Railway system, and for other purposes," was introduced in the Upper House and given very thorough consideration by its Standing Committee on Railways, Telegraphs and Harbours. In introducing the Bill on Oct. 27 (1932), Rt. Hon. Arthur Meighen, Government Leader, explained that the measure was the statutory embodiment of the Royal Commission's Report, save for only one feature, that with respect to the appointment of auditors. The Bill, as introduced, was divided into three parts. Part 1 dealt with reorganization of the Canadian National System. It provided for replacement of the Board of Directors by three trustees, one of whom, the chairman, whose tenure of office would be seven years, would devote his full time to the work. Part 2 dealt with co-operation between the Canadian National and Canadian Pacific Railways and ordered that the two systems take whatever steps were desirable to eliminate, consistently with the proper handling of traffic, unnecessary, wasteful and uneconomical services; to avoid duplication of services; and to make joint use of facilities wherever advisable. Part 3 provided for the setting up of a tribunal to deal with disagreements between the two systems. This body was to be composed of the Chief Commissioner of the Board of Railway Commissioners for Canada, who would be the presiding officer, and one representative each from the two railways.

Second reading was moved on Oct. 28 and during the Debate general views on the railway situation were expressed by Rt. Hon. George P. Graham, Hon. James Murdock, Hon. C. C. Ballantyne, Hon. Raoul Dandurand, Hon. J. A. Calder, Hon. C. P. Beaubien, Hon. J. S. McLennan and Hon. Rodolphe Lemieux. Second reading was carried without division on Nov. 4 and the Bill referred to the Standing Committee on Railways, Telegraphs and Harbours. The Committee held its inaugural meeting on Nov. 8 when Rt. Hon. George P. Graham was made Chairman. It was decided to hear representations from any persons who might wish to appear. The Committee spent two sittings on the 9th and 10th in discussing the terms of the Bill and adjourned until the 17th when it heard E. W. Beatty, K.C., President of the Canadian Pacific Railway Company. Highlights of Mr. Beatty's evidence at this time were: (1) that the railway situation in Canada, existing and future, constituted by far the most important problem with which the country was faced; (2) that the magnitude of the Canadian Pacific undertaking and its importance to the country entitled the shareholders to consideration in any legislative measures affecting their control of their property; (3) that, so far as the C.P.R. was concerned, it would accept a statutory direction that it should co-operate because it was willing to co-operate; (4) that it would tax the ingenuity of any board of trustees or board of directors to reconcile competition and co-operation; (5) that the C.P.R. must enter its most vigorous protest against the principle of compulsory arbitration embodied in Part 3 of the Bill; (6) that the Company welcomed the suggestion of voluntary agreement but control by a tribunal constituted as proposed should not be imposed upon any privately-owned railway company operating in competition with the Government railways; and (7) that a railway consolidation for the purpose of administration only, not a physical amalgamation, was the logical solution of the railway problem.

On Nov. 18 the Committee heard representations from F. MacLure Sclanders, Commissioner of the Board of Trade of Saint John, N.B., and from Gordon McLeod Pitts, engineer and architect, Montreal. Sitting again on Nov. 24, the Committee received a memorandum on behalf of the standard railway labour organizations and the Trades and Labour Congress of Canada. This was presented by W. L. Best, Dominion Legislative Representative, Brotherhood of Locomotive Firemen and Enginemen, supported by Robert

J. Tallon, President of the Federated Railway Trades of Canada. It recommended that the identity of the Canadian National and Canadian Pacific Railways should be maintained, with the former under Government control; that there should be at least five trustees for the C.N.R., one trustee to be selected from a panel of nominees submitted by the voluntary organizations of labour having contractual relations with the C.N.R.; that the task of writing down the capital structure of the C.N.R. should be undertaken without further unnecessary delay; that, along with the mandatory duty to be placed on the railways to co-operate, there should be placed a concurrent duty to safeguard railway employment; that, in the event that a tribunal was thought necessary to sit in judgment on measures in dispute between the two railways, the Board of Railway Commissioners should be empowered to discharge the function and that a conference of Provincial highway authorities should be called under Federal auspices to prepare a recommended code to regulate motor vehicle transportation. At the same sitting of the Committee, Col. E. C. Phinney, K.C., representing the Government of Nova Scotia, the Council of the City of Halifax and the Halifax Board of Trade, presented the claims of the Maritime Provinces to the fulfilment of the undertakings respecting transportation entered into at the time of Confederation and recommended certain changes in the Bill to safeguard the interests of the Maritimes.

On Nov. 25, Gerard Ruel, K.C., former Legal Vice-President of the Canadian National Railways, who had been asked to appear before the Committee, reviewed a draft Bill, which he had submitted to the Royal Commission, under which a managing company was to be formed, to whom, under entrusting agreements, the railway companies would transfer their properties for management purposes only. At this sitting was also heard A. R. Mosher, who represented the National Railway Labour Unions of Canada. Submissions were made (1) that the organizations were opposed to the enactment of legislation which would have the inevitable effect of throwing many thousands of railway and other workers out of employment; (2) that if the Bill were passed, losses which would result would more than counter-balance any gains; (3) that Government and Parliament had no mandate to put into effect a virtual amalgamation of the railway systems; (4) that holders of railway securities should be required to share the burden already borne by the railway workers by accepting a lower rate of interest and (5) that if the revenues of the railways were not sufficient to meet their requirements, freight and passenger rates should be increased, thus distributing more equitably the charges payable by the industry.

Anticipating that it would be a long time before the legislation could be enacted and that in the meantime economies might be made which were not yet being effected, the Senate on Nov. 25 adopted a Resolution moved by Senator Casgrain: "That in the opinion of the Senate, for the purpose of expediting the attainment of all possible economies by mutual co-operation pending the passing of the present Railway Bill A, a certain number of officials of the Canadian Pacific Railway Company and an equal number of officials of the Canadian National Railways should meet to co-operate in eliminating some of the duplication of railway with a view to economy in the service."

The Committee did not meet again until Feb. 1, following the reassembling of Parliament. It then heard D. B. Hanna, former General Manager, Canadian Northern Railway, and former Chairman of the Canadian National Railways Board. At its meeting on Feb. 2, 1933, a vote was taken on the preamble of the Bill, which was considered to be tantamount to an acceptance of the principle of co-operation and against either amalgamation or unified management. The vote stood 24 to 1 in favour of the measure. Another significant vote was taken the same day on Section 5. This specified as ineligible for appointment to the Board of Trustees, Members of Parliament, Members of the Council of any Province, candidates nominated for election to Parliament or the Legislature and office holders under the Crown. This Section was wiped out on the decision of the Chair, following a tie vote.

Having been invited to send representatives to report on the progress of co-operation, the Canadian Pacific Railway sent Grant Hall, Vice-President; and the Canadian National Railways, S. W. Fairweather, Director of its Bureau of Economics. Both appeared before the Committee on Feb. 7 (1933). Their evidence showed that for purposes of working out plans of co-operation an Executive Committee, composed of three representatives of each railway and a Co-operative committee, also composed of three representatives of each railway, had been formed and that definite progress was being made. It was revealed at this time that the Executive Committee was composed of E. W. Beatty, President; Grant Hall, Vice-President; and W. N. Tilley, k.c., Consulting Counsel, for the C.P.R.; and S. J. Hungerford, Acting President; J. E. Labelle, k.c., and F. K. Morrow, Directors, for the C.N.R. The Co-operative Committee comprised George Hodge, Manager of the Personnel Department; J. M. R. Fairbairn, Chief Engineer; and E. A. Leslie, Deputy Comptroller, for the C.P.R.; and S. W. Fairweather, Director of the Bureau of Economics; D. Crombie, Chief of Transportation, and C. S. Gzowski, Chief Engineer of Construction for the C.N.R.

At this sitting of the Committee an Amendment was inserted giving a specific direction to the Trustees of the Canadian National Railways that, unless a shipper indicated otherwise, goods consigned within Canada for carriage by the Canadian National and intended for export, must be so exported through Canadian ports. This was done to meet the demands of the representatives of the Maritime Provinces.

While many Amendments were made by the Committee to the Bill, as originally drafted, none altered the three main principles, namely, establishment of a board of three trustees, co-operation between C.N.R. and C.P.R. and submission of disputes to an arbitral tribunal. On Feb. 8 an effort was made by Senator Murdock to have the Board of Railway Commissioners substituted for the arbitral tribunal but this proposal was rejected on a vote of 18 to 3. Senator Murdock again attempted on Feb. 15 to change the principle of the arbitral tribunal by providing for the setting up of arbitration boards but again his Amendment was rejected. At this sitting Senator Lynch-Staunton proposed an Amendment providing that Part 3 should come into force only upon proclamation of the Governor-in-Council, thus affording the railways an opportunity to show what they could do by voluntary co-operation. This proposal was negatived on a vote of 17 to 11.

The Bill was reported to the Senate on Feb. 16, when it was considered in Committee of the Whole. Third reading was moved by Rt. Hon. Arthur Meighen on Feb. 23. Hon. J. A. Calder, speaking first in the Debate, enumerated "the conditions and evils that have chiefly contributed to our existing railway problem" and declared that he could not bring himself to agree with the provision in the Bill for an arbitral board "unless I am assured by the authorities of the Canadian Pacific Railway that such proposal has their endorsement." He accordingly moved an Amendment that Part 3 and all references to it elsewhere in the Bill should be struck out. He was seconded by Hon. Sir Allen Aylesworth who argued that there being no need of any such tribunal so far as the National System was concerned, it was obviously intended for the control of the competing company, the C.P.R. He asked if this was a fair plan, particularly as three-fifths of the property of the C.P.R. was held by shareholders resident in the British Empire, outside of Canada, with no representation in the Parliament of Canada. Vigorous objection to the Amendment was voiced by Hon. James Murdock. He would fight for fair treatment for the C.P.R. but anyone was making a great mistake who undertook to set that Company above the people and Parliament. Hon. F. B. Black also spoke against the Amendment, submitting that Part 3 was an integral part of the Bill and without it the whole Bill would be vitiated. Further support for the Amendment came from Hon. C. P. Beaubien, who claimed that Part 3 would never be resorted to and, consequently, was not of any importance. At the same time its inclusion would be likely to have an unfavourable effect in international financial circles. Rt. Hon.

Arthur Meighen stressed the very serious nature of the problem which was being faced in dealing with the railway situation. "We are not here," he declared, "to visit punishment upon anybody for past sins; we are here seeking to rescue from the disastrous pass in which they are to-day two great systems in which the Canadian people have an equally great interest." He was convinced that Part 3 was essential. "I urge," he said, "upon honourable Members the fact that in taking such a step we shall not be invading the sacred rights of anyone. We shall simply be providing a necessary control for two great corporations; a means by which they shall be required to do what they have failed to do during the last eleven years; a means for relieving the public shareholders of the one corporation and the financial supporters of the other from some of the tremendous burdens that both groups have been bearing in years gone by." The Amendment was negatived and the Motion for third reading agreed to.

The Bill was introduced in the House of Commons on Feb. 28 by Hon. R. J. Manion, Minister of Railways and Canals, and until its third reading on May 9 occupied a major position in the proceedings of the House. In moving second reading on Mar. 7, Dr. Manion referred to the appointment of the Royal Commission; summarized its findings; and stated that the Bill agreed practically in toto with its Report. It was a co-operative measure, he declared, and there was no suggestion in it of amalgamation. He then outlined the railway situation in Canada and congratulated the management of the C. N. R. on the economies already effected. Regulation of motor traffic was necessary and he made the announcement that an inter-provincial conference would be held to discuss the problem of motor competition. "I submit," he said, "that the outlook for the railways is far from hopeless, provided always that the trustees to be appointed are careful to carry on the management in an economical manner; and provided, also, that there is at the same time a revival of trade in Canada and throughout the world."

The Debate on second reading was continued at eight successive sittings of the House and was participated in by 62 Members. Liberals in caucus on Mar. 8 decided to oppose vigorously several features of the Bill and this opposition was voiced by their Leader, Rt. Hon. W. L. Mackenzie King, when he spoke on Mar. 9. Claiming that the powers conferred on the board of trustees far transcended anything given the Board of Directors under existing legislation, he said: "I am not so sure that the Bill as drafted does not deprive Parliament almost entirely of some of its fundamental rights." He enumerated various things the board could do on its own initiative and without consultation or approval and declared that the Ministry could not possibly divest itself wholly of responsibility. He protested vigorously against amalgamation, expressing the fear that the legislation as drafted might have this result; and, in order to clarify the situation, moved an Amendment placing the House on record against amalgamation and against divesting Parliament of any of its existing rights over railway expenditure and asserting Parliament's responsibility for the conduct of the railway. Mr. King supported the view that the board should be enlarged to include representatives of the Maritime Provinces, of the West, and of Labour. Mr. Bennett, in the course of a speech in which he reviewed Canada's railway history, justified the appointment of the Royal Commission; praised its work; and declared that "there is no sinister design behind this measure to accomplish the amalgamation of these systems while this Parliament is opposed to this being done." He had, he said, given thought to a plebiscite of the people on the question and added: "It can only, in my judgment, be done by affording every citizen who, in the end, owns the equity of redemption, an opportunity to express an opinion for or against amalgamation." He then promised to place in the Bill in adequate terms words which would make it clear that there would be no amalgamation and suggested that the Amendment be withdrawn. Pointing out that ordinarily a receiver would have been appointed for the Canadian National, he explained that at the very threshold of the problem the Commission had had to consider how to combine the powers of a receivership with

the continued operation of a system which it was essential to maintain, if possible. They had decided upon the appointment of three trustees. He felt that Parliament should stick to this recommendation. Any number greater than three meant disaster. They were performing a radical operation and in order to make it effective and successful they must eliminate every political consideration. As to a lack of Parliamentary control, as charged by Mr. King, he reminded them that "this House in its power to vote money has complete control over that board of trustees."

Hon. James Malcolm (Lib., North Bruce) speaking on Mar. 10 declared that the Duff Report had failed to show how the railway systems were to secure more tonnage and argued that the success of the railways was tied up with the fiscal system of the country. His main objection to the legislation was the permanence of the trustees and the autocratic control given to one man on this board was to him repulsive. If the legislation were of a compulsory nature for a period of from three to five years he would support it but it should not be predicated upon the assumption that troubled times were going to continue indefinitely. Labour's viewpoint was expressed by J. S. Woodsworth (Lab., Winnipeg North Centre). Provision for displaced employees, he claimed, should be the first charge on savings resulting from the proposed change. At the same time he contended that the railroad problem could not possibly be solved apart from other economic problems. What was needed were policies which would lead to a larger amount of trade. He charged that the Government was trying to save a group of investors at the expense of the general public and said: "Once we recognize that it is possible to repudiate international obligations, we may very soon come to consider whether we must indefinitely retain the idea of the sacredness of all so-called national obligations." Mr. Woodsworth believed that amalgamation was sooner or later inevitable but feared that the way might be opened for amalgamation under private ownership. True, a step in the direction of control of private corporations was being taken but the control was not democratic, being virtually a dictatorship. He complained of lack of labour representation on the Duff Commission.

On Mar. 10 the Speaker ruled Mr. King's Amendment out of order. An appeal was taken from the ruling and the Chair was sustained on a vote of 88 to 35, ten Progressives joining the Conservatives in supporting the Speaker's decision. The vote on the Motion for second reading was reached on Mar. 16, after the House had heard final arguments from Hon. Ian Mackenzie for the Liberals; Miss Agnes Macphail for the Progressives and Hon. R. J. Manion for the Conservatives. Mr. Mackenzie was emphatic in his condemnation of the measure. "This Bill," he declared, "means the destruction or annihilation of public ownership and control of railways in Canada." With the appointment of a "self-perpetuating board of trustees, the last vestige of control over our railways is gone." Miss Macphail charged that the legislation would cause increased unemployment and might lead to a moral obligation on the part of the Dominion to guarantee Canadian Pacific bonds. Dr. Manion's speech was an answer to practically all the criticisms that had been levelled against the Bill during the two weeks it had been under debate. He declared it would be a breach of trust for the trustees ever to attempt amalgamation and asked why, if the Bill would lead to amalgamation, it was being opposed so strenuously by the Canadian Pacific Railway. The Minister strongly defended the provision for an arbitral tribunal and said that if such a body "had been set up some years ago there would be no duplicate hotels in Halifax, no duplicate hotels in Vancouver and there would not be built that wild scheme of a railway terminal in Montreal." The vote was 120 for and 65 against second reading. Voting with the Conservatives were seven Liberals, Hon. W. D. Euler, C. G. Power, S. W. Jacobs, F. W. Gershaw, E. R. E. Chevrier, A. E. Munn and Olaf Hanson; two Independents, A. W. Neill and Henri Bourassa; and five Progressives, D. M. Kennedy, Alfred Speakman, W. T. Lucas, Michael Luchkovich and A. M. Carmichael. Against the measure were 56 Liberals; four Labour Members, J. S. Woodsworth, A. A.

Heaps, Angus MacInnis and Humphrey Mitchell; and five Progressives, H. E. Spencer, G. G. Coote, E. J. Garland, William Irvine and Miss Macphail.

The House went into Committee on the Bill on Apr. 7 (1933). Several Members at this time voiced complaints that the Bill had not been referred to the Standing Committee on Railways, so that witnesses might be examined. A. A. Heaps (Lab., Winnipeg North), supported by other Labour Members, actively urged some consideration for employees discharged as a result of the legislation and at an early stage moved an Amendment to Section 2 providing for a method of compensating such employees. The Chairman, having ruled the Amendment out of order because it was not competent for a private Member to move for an expenditure of money, an appeal was taken from his ruling and the Chair was sustained on a vote of 49 to 21. Sitting again on Apr. 12 the Committee discussed at length safeguards against the abandonment of branch lines and the desirability of substituting the Board of Railway Commissioners for the arbitral tribunal defined in the Bill. On the 18th an Amendment was introduced by the Liberals stipulating that one of the trustees should be a representative of organized Labour. This was negatived. Another Amendment, also defeated, would have added the names of the proposed trustees to the Bill, thus giving Parliament rather than the Cabinet the power to appoint them. Labour Members again introduced the subject of compensation for railway men thrown out of work, this drawing from the Prime Minister (Mr. Bennett) a charge that "a deliberate effort has been made to prevent the passage of this Bill." Mr. Bennett also assured the House that the trustees would not be political appointments, describing a political appointment as "a man who has been of very great assistance to a political party but who has no qualifications other than that." Resuming on the 19th, the Committee made considerable progress with the Bill. An Amendment, proposed by C. G. Power (Lib., Quebec South) providing that Parliament, not the railway company, should pay the salaries of the trustees, was ruled out of order. Another Amendment, submitted from the Liberal side, giving the Cabinet unhampered power to fill vacancies on the board of trustees, was allowed to stand, as was also an Amendment by Hon. Peter Heenan, which provided for a 60-day notice to union officials when services were to be merged, shops closed and running rights granted. A clause, inserted by the Senate, empowering the trustees to direct through Maritime Province seaports all traffic not specifically routed otherwise, was debated at some length and was approved. On Apr. 20 much time was consumed in dealing with the Heenan Amendment. Eventually this was withdrawn when it became apparent that the Industrial Disputes Investigation Act, with its thirty days' notice, would apply.

On Apr. 27 Dr. Manion introduced an Amendment, to form Part 4 of the Act, making it definitely impossible for any amalgamation to be brought about. The Amendment was agreed to. Another Government Amendment, providing that abandonment of the operation of lines of railway could only be effected with the approval of the Board of Railway Commissioners, was also agreed to. A lengthy discussion ensued on an Amendment introduced by Mr. Heenan seeking to have Section 179 of the Railway Act written into the Bill. On the assurance that this Section, which provided compensation in the case of employees being compelled to change their place of residence consequent on the abandonment of any station or divisional point, would still apply, the Amendment was eventually withdrawn. Other Amendments agreed to provided that the right to resort to the provisions of the Industrial Disputes Investigation Act should be definitely incorporated in the Act and that the chairman of the board of trustees "shall not be an officer nor after his appointment as trustee become otherwise than by re-election a director of any company other than a company which is comprised in National Railways." Resuming on Apr. 28 the Committee adopted Amendments giving the Governor-in-Council authority to make the other two trustees part-time or full-time trustees at its discretion and reducing the term of appointment of the trustees from seven to five years.

The Committee completed its work on May 4 (1933). Action taken included elimination of the panel system of appointment to the board of trustees, leaving all future appointments to the government of the day; confirmation, after a lengthy discussion, of provision for removal from office of trustees only on address of the Senate and House of Commons; rejection of an Amendment making a straight majority vote of the trustees effective, instead of requiring the chairman to be one of the majority; and inclusion of a provision which would give the preference in case of the amalgamation of shops or other services to former employees of the amalgamated services.

Third reading was moved on May 9 by Dr. Manion. A. A. Heaps (Lab., Winnipeg North) immediately introduced the question of compensation for employees thrown out of work as a result of the co-operation of the railways and submitted an Amendment referring the Bill back to the Committee of the Whole "with the request that the Government consider ways and means of providing compensation for such persons whose services will be dispensed with as a result of any of the provisions of this Act." The Speaker ruled the Amendment out of order because it did not contain instructions for any specific Amendment of the Bill. His decision was sustained on division. Mr. Woodsworth then attempted to secure the same object by presenting an Amendment directing that the Bill be referred back for the insertion of a clause reading, "That the Canadian Pacific Railway and the Canadian National Railway Companies shall provide compensation to those whose services will be dispensed with as a result of the operation of any of the provisions of this Act." The Speaker ruled this Amendment out of order also on the ground that it involved the expenditure of public money and therefore could not be introduced by a private Member. Being appealed from, the ruling was sustained on a vote of 74 to 32. T. F. Donnelly (Lib., Willow Bunch) submitted a third Amendment providing that "the Hudson Bay Railway as now administered by the Department of Railways be not permitted to pass under the jurisdiction of the railway trustees as in this Bill constituted, or under any other authority than that of the Government of Canada." This Amendment was negatived. The House then divided on the Motion for third reading and this was agreed to on a vote of 84 to 47. The seven Liberals who had voted for the Bill on second reading either voted or were paired against it on third reading. The Senate concurred in the Amendments of the House of Commons on May 11, 1933.

The Budget: A List of Drastic Taxation Increases

The Minister of Finance, Hon. Edgar N. Rhodes, delivered his Budget Speech on Mar. 21, 1933. In it he announced a series of increased taxes calculated to augment the national revenue and to balance the Budget; the creation of a Stabilization Fund to assist Canadian farmers and fishermen in marketing their products in the British Isles; the reduction of the valuation of the pound sterling for purposes of special or dumping duty from \$4.40 to \$4.25; the Government's willingness to co-operate in bringing down interest rates by reducing the rate of interest paid on postal savings deposits; and a proposal to appoint a Royal Commission to study the organization and working of the entire banking and monetary system. Tariff changes announced were of a minor character.

For the fiscal year 1933-34, the Minister of Finance estimated that, based upon current rates of taxation, revenues would amount to \$287,230,000. Estimates for the ordinary service of government for the year totalled \$369,429,000, leaving a gap of approximately \$82,000,000. Mr. Rhodes explained, however, that it was proposed to withhold from the Departments 10 per cent. of the Controllable Expenditure, or approximately \$14,000,000, in the expectation that further economies would be effected to this extent. After making allowance for this estimated reduction, Ordinary Expenditures would be

approximately \$68,000,000 in excess of Revenues estimated on existing rates and yield. It was accordingly proposed to recommend measures which would, it was anticipated, produce at least \$70,000,000 on the basis of current business conditions, leaving a Surplus of \$2,000,000. (This calculation did not take into account special expenditures for unemployment relief and non-active advances estimated at \$35,000,000; the Canadian National Railways' Deficit, estimated at \$47,941,000 and Capital Expenditures estimated at \$7,166,000.)

"It is the considered view of the Government," said Mr. Rhodes, "that the reduction in expenditures for the ordinary Public Services outlined above, and the proposed increases in taxation represent as drastic a fiscal programme as should be contemplated at the moment although further proposals with respect to the Railway Deficit are subject to review before the close of the Session."

Far-reaching changes were introduced in the Income tax. The rate on corporations and joint stock companies was raised from 11 to 12½ per cent. and the exemption of \$2,000 was removed. The statutory exemptions in respect of the tax on personal incomes were reduced from \$2,400 to \$2,000 and from \$1,200 to \$1,000, respectively. The exemption for dependent children was lowered from \$500 to \$400. A new and higher schedule of rates beginning at 3 per cent. instead of 2 per cent. was made applicable and these changes were effective on 1932 incomes.

To ensure that income from bearer coupons did not escape taxation, it was provided that all bearer coupons should have attached duly completed ownership certificates, these to be forwarded by the paying agents to the debtor corporations, which in turn would be required to file them with the Commissioner of Income Tax. A tax of 5 per cent. was imposed at the source on all interest or dividends paid by Canadian debtors to non-residents of Canada. A similar tax (5 per cent.) was also imposed on all interest or dividends received by Canadian residents from Canadian debtors when paid in foreign currencies which were at a premium over par of Canadian funds.

No change was made in the rate of the Sales tax, which remained at 6 per cent., but there was an adjustment of the exempt and partially exempt list.

Excise taxes came in for special attention. A 10 per cent. tax was imposed on cosmetics and toilet preparations; a 5 per cent. tax on automobile tires and tubes; on cigarette papers, a tax of 2 cents per 100 leaves; and on cigarette tubes, a tax of 5 cents per 50 tubes. A special Excise tax of 2 cents per pound was levied on all refined sugar imported into or refined in Canada; and 25 cents per gallon on unfermented wort and of 50 cents per pound on malt syrup or malt syrup powder, extracts of malt or any other malt product intended for the brewing of beer. In the case of the Stamp tax on cheques, etc., the \$5 exemption was wiped out, making the tax 3 cents on all cheques up to \$100 and 6 cents on amounts over \$100. The Stamp tax on postal notes was raised from 1 to 3 cents.

The Excise duty on distilled spirits used in the manufacture of medicines, extracts, perfumes, etc., was raised to \$2.50 per proof gallon and an Excise duty of \$1 per proof gallon was imposed on spirits distilled from the juices of native fruits for use by registered wine manufacturers in fortifying native wines.

Certain amendments of a minor character were made to the tariff schedules. In view of the recent establishment of a Tariff Board, however, it was deemed undesirable to propose, either in whole or in part, any major revision. Rates in the tariff schedules having been made on a basis of parity of exchange, when the pound sterling became depreciated it had been found necessary to value it for purposes of special or dumping duty at \$4.40. After careful examination it was believed that under existing conditions this valuation could be lowered with safety and, accordingly, it was reduced to \$4.25.

To enable the agricultural and fishing interests to sell their products in countries with depreciated and fluctuating currencies, it was proposed to establish an agricultural stabilization fund. From it there would be paid to exporters to the British market the difference between the price actually received and the pound sterling valued at \$4.60. This would apply to the following commodities: animals, meats (including bacon and hams), poultry, fresh fish, canned fish, tobacco, cheese, milk products, canned fruits, canned vegetables, maple products, eggs and honey.

World Conditions. Mr. Rhodes opened his Budget Speech with a brief summary of world economic conditions from the start of the unprecedented financial storm in Austria in the Spring of 1931 which, spreading from country to country, had crippled financial institutions and generally dislocated the machinery of finance and trade. There had been, he showed, a period of noticeable improvement in world industry and in business sentiment in the third quarter of 1932 but the improvement had not been maintained. Since October, 1932, world trade, industrial production and wholesale prices had once more tended downward and in the renewal of the decline, the failure of the War Debt negotiations had been an important, though not the sole, factor. He drew attention to the recurrence of banking trouble in the United States (in March, 1933) and to the new clouds that had appeared on the political horizon in Europe. In spite of this, however, Mr. Rhodes wished, he said, to warn against too gloomy an interpretation of current happenings. Events that might seem well-nigh disastrous in themselves might nevertheless be necessary to effect some of the radical changes in public attitudes and national policies which would make possible a fundamental and permanent solution of the difficulties which beset the world. The present crisis was international, both in its causes and its effects, and the remedy was to be sought in international understanding and co-operation. Therefore, he looked forward hopefully to the World Economic and Monetary Conference in London "to which we propose to give our whole-hearted support." World conditions, he continued, had inevitably been reflected in business conditions in Canada. The course of industrial production and the physical volume of business in Canada had followed very closely those of the other leading countries. Fortunately, since the first of the year, there had been a moderate improvement in wheat prices. If this could be sustained and carried further, no other single development could be of more importance in stimulating business recovery and reviving a spirit of confidence.

Trade of Canada. The Minister of Finance noted with satisfaction that, relatively, the position of Canada among the great trading nations was being well maintained. In 1932 she again ranked fifth, after having been seventh in 1931. He observed that while the value of exports had declined, when the lower prices were taken into account, there was actually very little reduction in volume; that it was also noteworthy that, despite unfavourable conditions, there had been a progressive improvement in the balance of trade; and that although the Empire Trade Agreements had been in force only a few months, significant developments in trade with Empire countries were being indicated.

Financial Conditions. The policy of prohibiting the export of gold from Canada and of purchasing the gold production of the mines had been continued, Mr. Rhodes stated; this increased gold supply, available for export without weakening monetary gold reserves, taken in conjunction with the elimination of the unfavourable balance of trade, had been most significant in relation to Canada's ability to meet, without undue strain, the burden of interest and principal payable abroad. Current estimates of the position indicated, he declared, that exports of goods, gold and services, were sufficient to offset annual charges payable abroad and to leave a substantial balance

for principal payments on account of external debts. This had been a most important factor, he pointed out, in maintaining the high credit position of Canada in world markets.

At this point Mr. Rhodes warned against inflation. One inevitable result, he declared, would be a flight from the dollar, a withdrawal on a large scale of the capital invested by foreigners in the country in the form of securities and bank deposits. There would also be internal reactions. Against policies which might lead to such dangers, the Government had resolutely set its face. The Canadian dollar, while showing greater fluctuations than was desirable for the normal conduct of international trade, had held at a moderate discount in terms of the United States dollar. It had been allowed to find its own level and as a result it had been fluctuating about half way between the United States dollar and the English pound. "In so doing," suggested the Minister, "it may be working out a not unsatisfactory compromise between those of our national interests which would be benefited by close and stable relations with sterling and those on the other hand which would be seriously harmed by a heavy and fluctuating discount in terms of New York."

Mr. Rhodes mentioned with pride that Canada was one of the few countries that had been able to retain a market for new long-term financing. Excluding short-term and refunding loans, a total of \$267,000,000 had been raised. When the opportune moment arrived a conversion loan would be offered and this would be made at a rate which would involve a substantial saving to the public treasury. Touching on the movement on the part of the banks and other financial institutions to reduce the interest rate on savings deposits, the Minister stated that the Government was prepared to co-operate by reducing the rate on postal savings deposits.

A tribute was paid by Mr. Rhodes to "the contribution of the chartered banks to the orderly financing of our economic life." Referring to the approaching revision of the Bank Act and the suggestion that a central bank should be established, he announced that the Government proposed to appoint a Royal Commission to study the organization and working of the entire banking and monetary system.

The Western Provinces. The position of the Dominion in respect both of advances to the Western Provinces and of arrangements for marketing the wheat crop was clearly stated by Mr. Rhodes. So far as the Provinces were concerned, temporary assistance had been given to Manitoba and British Columbia in meeting maturing loans in New York; the sum of \$6,740,000 had been lent to the Prairie Provinces in order to enable them to grant assistance in the form of loans for seed grain and seeding operations to farmers in areas that had suffered from drought; and loans to the extent of \$8,873,009 had been made for other Provincial purposes, mainly for the financing of public works and direct relief expenditures. Of the last-mentioned sum, \$6,500,000 was assigned to the financing of Provincial and Municipal shares of the cost of public works under the 1931 relief programme, provision for which extended over into the fiscal year 1932-33.

"In all these cases" said Mr. Rhodes, "the Dominion made the loans only after the most pressing representations by the Governments of the Provinces concerned, and as a temporary measure until these Provinces, admittedly subjected to far-reaching readjustments in their Budgets, were afforded the time necessary to arrange the financing of their own obligations."

With respect to the marketing of the wheat crop, Mr. Rhodes stated that, in response to the urgent requests of the Governments of the three Prairie Provinces, similar arrangements had been effected for financing the 1932 crop as were made in connection with the 1931 crop, that is, a guarantee was authorized, subject to certain safeguarding provisions, of advances to the three Provincial Pools. In the case of the Manitoba organization the limit of credit was established at \$1,395,000; for Saskatchewan, at \$15,000,000 and for Alberta at \$9,000,000. More recently arrangements had been made by

which a guarantee was given to enable the Pools to distribute an additional 5 cents per bushel to farmers whose grain of the 1932 crop was being marketed on the Pool plan; this, so that an increased percentage of the value of their grain might be available at seeding time.

Mr. Rhodes explained further that the guarantee of advances to Canadian Co-operative Wheat Producers Limited, in connection with the 1930 crop, remained in effect. It had been necessary, he added, during the previous season for the Company to increase its liability as a result of stabilizing transactions which it was considered expedient in the public interest to support. To these operations the Government had given its guarantee.

Revenues and Expenditures—1932-33. Of the major sources of taxation revenue, the Income tax alone would yield the sum estimated for the fiscal year, 1932-33, announced Mr. Rhodes. This would be approximately \$62,000,000, as compared with an estimate of \$60,000,000. Customs tariff would yield \$72,000,000, as against \$104,133,000 in the previous year, while Excise duties at \$38,594,000 were considerably lower. The Sales tax, having been raised from 4 per cent. to 6 per cent. would yield more, the estimated return being \$58,757,000, as compared with \$41,734,000 in 1931-32. Total taxes under the Special War Revenue Act would amount to about \$85,432,000.

The sum of \$52,709,932 would, it was estimated, be collected by way of revenues from the various Public Services, the principal contribution being \$31,129,243 from the Post Office Department. Special receipts would not be as large as during either of the previous two years, primarily because nothing had been received on account of German reparations since the Hoover Moratorium. From the Custodian of Enemy Property, however, there had been received \$4,000,000. Adding special receipts to the returns from taxation and Public Service revenues, the grand total would be \$315,290,000 or \$18,549,000 less than for the previous year.

Ordinary Expenditures for the year were estimated at \$364,425,000 or \$8,080,000 less than the figures for 1931-32. Whilst this expenditure was \$130,000 more than was estimated, this slight increase, said Mr. Rhodes, had to be considered in the light of the fact that after the Budget Estimate was made, Supplementary Estimates were passed, amounting to \$7,644,000. By means of rigid control over expenditures it had been possible to effect a total saving of upwards of \$12,000,000 from the total amounts voted by Parliament.

The amount voted for Capital Expenditures was \$9,678,100 and of this \$9,123,000 would be spent, the Minister of Finance stated. This compared with \$16,980,000 in 1931-32 and \$28,222,000 in 1930-31. Special expenditures, it was estimated, would amount to \$42,483,000, a reduction of \$12,993,000 over the previous year. The carryover of the wheat bonus paid during the year was \$1,826,260, making a total outlay on this account of \$12,734,689. On unemployment relief the total expenditure would be \$35,603,000, made up of public works, \$12,531,100; direct relief (including Saskatchewan Relief Commission, \$4,600,000), \$19,630,280; other expenditures, mainly Dominion projects, \$3,441,620. Loans by the Dominion Government to Provincial Governments under authority of the Relief Act, after taking current repayments into account, amounted to \$17,489,725. Loans carried forward from the previous fiscal year totalled \$22,544,422, on account of which \$2,000,000 was repaid during 1932-33. The total which would be outstanding was, therefore, \$38,034,147. There were other loans and advances amounting to \$1,959,000, Mr. Rhodes explained.

Grouping the 1932-33 Expenditures together, the total for the year amounted to \$417,990,000, as compared with \$448,073,000 in 1931-32.

Requirements of the Canadian National Railways, not counted in the foregoing, were \$72,367,842, but of this amount \$4,231,997 was secured from the working capital funds of the Company. The balance of \$68,135,845 was furnished by the Government. Advances to Harbour Commissions totalled

\$6,657,000, a considerable reduction from the previous year when upwards of \$14,000,000 was loaned. Bonds of the Farm Loan Board to the amount of \$850,000 were purchased and a subscription of \$70,650 was made to Capital Stock.

The net results of the year's operations as summarized by Mr. Rhodes were as follows: Ordinary Expenditures, \$364,425,000; Ordinary Revenues, \$310,817,000; Deficit, \$53,608,000. Actual Expenditures closely approximated the estimate but Revenues failed to attain the expected yield, due to falling prices and shrinkage in business activity. Special Expenditures amounted to \$42,483,000 but against this was the sum of \$4,473,000 received in Special Revenues, leaving a balance not provided from Income of \$38,010,000. Adding Capital Expenditures and net loans and advances non-active, there was a total increase of Debt on Government operations of \$102,700,000. This compared with \$114,234,000 in 1931-32. A special charge of \$53,422,000 on account of Canadian National Railways deficit brought the total addition of the Debt to \$156,122,000.

The following table gives the estimated and actual requirements of the Canadian National Railways for 1932, as compared with the actual requirements for 1931:

	Actual 1932 \$	Budget 1932 \$	Actual 1931 \$
Deficit, System (Ex. Eastern Lines).....	53,422,661	42,784,610	52,255,676
Deficit, Eastern Lines.....	6,635,845	6,217,400	8,712,762
Total.....	60,058,506	49,002,010	60,968,438
Capital Expenditures	799,158	7,033,738	34,373,262
Debt Retirement	11,510,178	11,681,652	10,041,691
Discount on Securities Issued.....	.....	.....	4,226,030
	72,367,842	67,717,400	109,609,420
Less Working Capital Available.....	4,231,997	.....	633,155
Amount Required.....	68,135,845	67,717,400	108,976,265

The following statement shows the amounts of loans to the Provinces in the fiscal year 1932-33, with total of loans outstanding for the fiscal year, 1931-32:

Loans, 1932-33 Net Outstanding	Loans Covering Obligations Maturing in New York	Loans re Assistance to Farmers, including Purchase of Seed Grain	Loans for Provincial Purposes including Public Works and Direct Relief	Total
	\$	\$	\$	\$
Manitoba	1,944,130	380,000	2,632,580	4,956,710
Saskatchewan .....	.....	5,590,000	2,134,338	7,724,338
Alberta .....	.....	140,000	1,700,000	1,840,000
British Columbia	562,586	.....	2,406,091	2,968,677
	2,506,716	6,110,000	8,873,009	17,489,725
Loans, 1931-32 Net Outstanding	9,637,189	.....	10,907,233	20,544,422
Total Outstanding...	12,143,905	6,110,000	19,780,242	38,034,147

Mr. Rhodes reviewed the loan flotations of the year and presented a statement showing the unmatured Funded Debt as of Mar. 31, 1933. This amounted to \$2,715,910,607, on which interest charges were \$127,239,499. In addition, there were various bond issues guaranteed by the Dominion outstanding in the hands of the public of a total par value of \$996,148,354, or \$4,300,000 under the figure of the previous year. Other commitments included guarantees in connection with wheat marketing, the Province of Manitoba Savings Office, the Beauharnois Light, Heat and Power Company and Newfoundland. This brought the Minister to the Balance Sheet enumerating the Assets and Liabilities estimated as of Mar. 31, 1933:

Active Assets, Mar. 31, 1933.

(Estimated)

Cash, working capital advances and other current assets		\$ 10,461,000
Specie Reserve		72,600,000
Advances to banks under Finance Act.....		42,400,000
Loans to Provinces for housing.....	\$ 10,382,000	
Loans to Provinces, Relief Act, 1931.....	38,034,000	
		<hr/>
		\$ 48,416,000
Loans to Foreign Governments—		
Greece	\$ 6,525,000	
Roumania	23,969,000	
		<hr/>
		\$ 30,494,000
Loans to Harbour Commissioners—		
Montreal	\$ 58,003,000	
Vancouver	22,326,000	
New Westminster	245,000	
		<hr/>
		\$ 80,574,000
Canadian National Railways.....		16,340,000
Canadian Farm Loan Board.....		8,137,000
Soldier and General Land Settlement.....		47,755,000
Seed Grain and Relief Advances.....		2,397,000
Canadian Government Railways Open and Stores Accounts.....		15,749,000
Deferred Debits—		
Unamortized Discount and Commission on Loans.....		15,903,000
		<hr/>
		\$391,226,000

Liabilities, Mar. 31, 1933.

(Estimated)

Dominion Notes Outstanding.....		\$ 176,200,000
Bank Circulation Redemption Fund.....		6,585,000
Insurance and Superannuation Funds—		
Government Annuities	\$ 28,425,000	
Insurance Fund, Civil Service.....	7,790,000	
Insurance Fund, Returned Soldiers.....	11,242,000	
Retirement Fund	7,205,000	
Superannuation Funds	42,880,000	
		<hr/>
		\$ 97,542,000
Trust Funds—		
Indian Funds	\$ 13,500,000	
Common School Funds.....	2,672,000	
Contractors' Securities Deposits.....	350,000	
Other Trust Funds.....	2,120,000	
		<hr/>
		\$ 18,642,000
Contingent and Special Funds.....		1,975,000
Post Office Money Orders, Postal Notes, etc., outstanding.....		3,080,000
Province Accounts		9,623,000
Post Office Savings Bank Deposits.....		22,700,000
Funded Debt—		
Unmatured	\$2,649,908,000	
Matured but not presented for payment.....	1,960,000	
		<hr/>
		\$2,651,868,000
Interest coupons matured but not presented for payment.....		2,100,000
		<hr/>
		\$2,990,315,000

Non-active Assets, Mar. 31, 1933.

(Estimated)

Canadian National Railways.....		\$ 655,527,000
Canadian National Steamships.....		15,367,000
Harbour Commissioners—		
Quebec	\$ 26,309,000	
Chicoutimi	2,950,000	
Halifax	8,616,000	
Saint John	11,752,000	
Three Rivers	2,762,000	
Montreal South Shore Bridge.....	1,099,000	
		<hr/>
		\$ 53,488,000
Seed Grain and Relief Advances.....		487,000
Soldier and General Land Settlement.....		16,513,000
Miscellaneous Advances		3,445,000
Capital Accounts—		
Canals	\$240,206,000	
Railways	443,516,000	
Public Buildings, Harbour and River Improvements.....	247,749,000	
Military Property and Stores	12,035,000	
Territorial Accounts	9,896,000	
		<hr/>
		\$ 953,402,000
Railway Accounts (old).....		88,399,000
Consolidated Fund Balance as at debit, March 31, 1933.....		812,461,000
		<hr/>
Net Debt, March 31, 1933.....		\$2,599,089,000

Funded Debt of Canada

Date of Maturity		Rate	Where Payable	Amount of Loan		Annual Interest Charges	
				\$	cts.	\$	cts.
1933—Aug.	1	4½	Canada	50,000,000	00	2,250,000	00
Oct.	1	4	New York	60,000,000	00	2,400,000	00
Nov.	1 (a)	5½	Canada	169,971,850	00	9,348,451	75
1934—June	1	3½	London	23,467,206	27	821,352	22
July	1	5	Canada	33,293,470	85	1,664,673	54
Nov.	1	4	Canada	35,000,000	00	1,400,000	00
Nov.	1	5½	Canada	226,138,350	00	12,437,609	25
1935—Aug.	1 (a)	5	Canada and New York	874,000	00	43,700	00
Oct.	15	4	Canada	25,000,000	00	1,000,000	00
1936—Feb.	1	4½	New York	40,000,000	00	1,800,000	00
Nov.	15	5	Canada	79,535,200	00	3,976,760	00
1937—Mar.	1 (a)	5	Canada and New York	90,166,900	00	4,508,345	00
Dec.	1 (a)	5½	Canada	236,299,800	00	12,996,489	00
1938—July	1	3	London	8,071,230	16	242,136	90
July	1	3	London	18,250,000	00	547,500	00
July	1	3	London	10,950,000	00	328,500	00
July	1	3½	London	15,056,006	66	526,960	23
1940—Sept.	1	4½	Canada	75,000,000	00	3,375,000	00
1941—Nov.	15	5	Canada	141,663,000	00	7,083,150	00
1943—Oct.	15	5	Canada	147,000,100	00	7,350,005	00
1944—Oct.	15	4½	Canada	50,000,000	00	2,250,000	00
1946—Feb.	1	4½	Canada	45,000,000	00	2,025,000	00
1947—Oct.	1	2½	London	4,888,185	64	122,204	64
1950—July	1	3½	London	137,058,841	00	4,797,059	43
1952—May	1	5	New York	100,000,000	00	5,000,000	00
Oct.	15	4	Canada	56,191,000	00	2,247,640	00
1956—Nov.	1	4½	Canada	43,125,700	00	1,940,656	00
1957—Nov.	1	4½	Canada	37,523,200	00	1,688,544	00
1958—Nov.	1 (b)	4½	Canada	276,688,100	00	12,450,964	50
1959—Nov.	1 (c)	4½	Canada	285,771,800	00	12,859,731	00
1960—Oct.	1	4	London	93,926,666	66	3,757,066	67
Oct.	1	4	New York	100,000,000	00	4,000,000	00
				2,715,910,607	24	127,239,499	13
Payable in Canada				\$2,013,201,570	85	74.13%	
Payable in Canada and New York				91,040,900	00	3.35	
Payable in New York				300,000,000	00	11.05	
Payable in London				311,668,136	39	11.47	
				\$2,715,910,607	24	100.00%	
Less bonds and stocks of the above loans held as Sinking Funds				66,001,724	51		
				\$2,649,908,882	73		

(a) Tax free in Canada.

(b) Tax free to Nov. 1, 1933, 5½% to Nov. 1, 1933.

(c) 5½% to Nov. 1, 1934.

The Budget Debate. Including the Minister of Finance, 45 Members participated in the Budget Debate, which was continued at seven sittings of the House and was wound up on Apr. 11. At first, speakers alternated regularly between Government and Opposition benches, but as the Debate advanced Conservative Members outnumbered the Opposition and the final count was: Conservatives, 27; Liberals, 10; Labour and Progressives, 8. A Liberal Amendment and a Progressive-Labour Sub-Amendment were offered to the Main Motion but both were defeated. The financial critic of the Opposition, Hon. J. L. Ralston, opened the Debate on Mar. 24. Pointing to a shortage of \$156,000,000 in the Accounts for the year; to an increase in the Funded Debt of \$455,162,319 since 1930 and to a serious shrinkage in exports, he declared: "We are faced with unemployment more widespread than ever and with a Budget which does not pretend to be balanced, while at the same time we are confronted with taxation the like of which has not been known in Canada since Confederation." Efforts to reduce expenditures, he said, were "pitiful and half-hearted". He was particularly severe in his condemnation of Government activities in the wheat market, remarking that "our farmers themselves, I am sure, do not want this Government to go into gambling in wheat to support the market and the Government should take its loss and

get out and be rid of that transaction." With respect to relief he charged there was no considered, deliberate policy, while as to the financial position of the Canadian National Railways," the sooner the Canadian people come to the conclusion that it is necessary to put the Canadian National Railways in a sound capital position in order that it may be self-supporting, and in order that it may have a fair chance to live, the sooner it will have a fair chance to live, the sooner it will have a good railroad and the sooner the finances of the Dominion will show a true picture of actual conditions." On the proposal to deduct from pensioners in the Government employ the amount of their pensions, Col. Ralston said, "I believe that when the Government realizes what this action would mean as a breach of contract, it will reconsider that item." He thought that the imposition of an income tax on people of small incomes was inadvisable as it would result in the cost of collection almost equalling the tax, and particularly was it so while there was only a relatively small increase in the tax on large incomes. As for the tax on sugar, this imposed a very great hardship on the poorer people of the Dominion. He was opposed in principle to the sort of legislation embodied in the proposed stabilization fund but if bonuses were to be paid, there should be no discrimination between one industry and another. It would help the fishermen more if the Minister would refuse further licences to trawlers. He then showed how high tariffs reduced revenue, Customs levies having formed 49 per cent. of total revenues in 1930 and only 28 per cent. in 1933.

Col. Ralston charged that the most serious defect in the Budget was that "while it does not reduce expenditures and while it imposes more taxation, it provides for nothing whatever in connection with the fundamental improvement of conditions in this country." There was, he said, no suggestion of anything that might be done in Canada but simply a leaning on the World Economic Conference," if, as or when there is one." As to action with respect to reciprocity with the United States, "this Government is simply supine, listless, lethargic, and proposes to await the turn of events." Passing on to trade restrictions, he declared that he did not think there was anything more fundamentally wrong than the exchange dumping duty. For a short time in 1931 when England went off the gold standard it might have been justified but not after prices had become stabilized. The Government's record was one of tariff instability and "there has been no chance in the world for people to know from day to day or even from hour to hour what the duty was going to be upon the goods with which they were dealing."

"It is because this Budget lacks any practical attempt to grapple effectively with the problems that are at the root of our difficulties," said Col. Ralston in conclusion, "and because it commits this country to another year of temporizing futility, that I beg to move the following Amendment, seconded by the honourable Member for Vancouver Centre (Mr. Mackenzie):

"The proposals of the Government as set forth in the Budget presented to this House by the Minister of Finance make no provision for the fundamental changes in existing policies regarding trade, credit and employment which are required to cope with the present economic situation. They imply a continuance of fiscal and other policies which have not only signally failed to afford any solution of our national problems, but have been proven to have the effect of diminishing trade, of decreasing revenues, of increasing unemployment, and without any corresponding reduction in expenditures, of increasing taxation, and debt, thereby aggravating the existing depression and distress.

"The increases in taxation proposed in the Budget Resolutions will fall most heavily upon those least able to bear the burden thereof, and, combined with other unjust exactions, will serve to intensify the distress already experienced in many homes throughout the Dominion.

"The absence, at this time, of any provision in the Budget indicative of Canada's desire to negotiate trade agreements with countries willing to trade with Canada on a reciprocal basis is further evidence of the lack of a definite constructive policy in meeting the needs of the present situation.

"For these and other reasons, this House is of the opinion that the present Government no longer possesses the confidence of the country."

G. G. Coote (U.F.A., Macleod), who followed Col. Ralston, attributed Canada's troubles to the financial policy of the Government, which had kept the Canadian dollar at a high level and, as a consequence, commodity prices at a low level. He advocated controlled inflation. The Minister of Trade and Commerce, Hon. H. H. Stevens, who spoke next in the Debate, devoted the larger portion of his speech to a reply to the criticism of Col. Ralston. Both the increase in Ordinary Expenditures and the increase in the Funded Debt were due, he pointed out, in very large measure to action by Parliament and were not under the control of the Government. As to the trade of the country, its volume, he showed, had been reasonably well maintained, while there had been increases in the value of exports to ten different countries in 1932. Trade with Empire countries was improving as a result of the Imperial Economic Conference Agreements. Justifying the exchange stabilization scheme, he pointed out that to the fishing industry alone on canned lobster and canned salmon, it would mean an enhancement of \$750,000. He went quite fully into the wheat stabilization policy of the Government and declared that "the result of this movement has been to hold the market steady and prevent the dumping of unusual quantities of cash wheat upon the market. It also distributed the marketing of wheat over a longer period of time."

The Debate covered a wide range of topics. Generally, Government supporters indicated the difficulties with which the Ministry had had to contend and praised it for the policies adopted in an effort to overcome them. On the other hand Opposition speakers were specially critical of the Government's tariff and monetary policies and devoted a good deal of attention to the agricultural stabilization fund. On Apr. 4, W. T. Lucas (U.F.A., Camrose) moved a lengthy Sub-Amendment, seconded by J. S. Woodsworth (Lab., Winnipeg North Centre), in which, after attributing depressed conditions to fundamental defects in the economic system of the country, the Government was urged to give immediate consideration to the introduction of such measures as might—

"(a) Make available the real credit of the nation through the instrumentality of a national central bank, and render possible the utilization and control of this credit for the legitimate needs of the people of this country;

"(b) Bring about such a degree of controlled inflation as would stabilize the price level of our chief commodities at a point where it would bear a reasonable relation to costs of production and to incurred obligations;

"(c) Provide employment and purchasing power to our people, through the above-mentioned means, and where necessary, by the direct use of our national credit in the construction of public works of various kinds, and in other ways which might be suggested, including the construction of houses, etc.

"(d) Ensure a more equitable distribution of the national income through well-considered methods of taxation, and the legislative control of interest, profits and investment;

"(e) Nationalize our insurance systems, including the establishment of such systems of social insurance as may be necessary for the protection and well being of our people."

In moving his Sub-Amendment, Mr. Lucas said that the group to which he belonged wished to offer something of a constructive character. The Liberal Amendment was a sweeping condemnation of the Government, without offering one constructive suggestion. He was inclined to believe that the people were more interested in a change to a system that would bring some relief to their sufferings than they were in a mere change from one party to another, which would carry on along very much the same lines. Mr. Woodsworth, who spoke on Apr. 5, said that perhaps no more serious indictment could be drawn against the policies of the Government than were to be found in the words of the Finance Minister himself when he referred to the low level of business activity, the shrinkage of trade, the pressure of low prices

and existing debts, the increase of unemployment and the various social costs which it involved. The unfortunate thing was that the Finance Minister indicated no way out. "In my judgment," said Mr. Woodsworth, "the Budget will intensify rather than ameliorate the evils." Continuing, he remarked that the only thing that seemed to be lacking was financial credit "and now we are told that the banks have so much of it that they do not know what to do with it. This shows that there is an absolute need of fundamental changes before we can bring about the prosperity for which we all long." Mr. Woodsworth was critical of the policy of maintaining interest payments on bonds, while cutting down other expenditures and asked "Why should the bondholders not take their share of the losses and the depression?"

The House divided on Apr. 11 on the Amendment to the Amendment. This was negatived on a vote of 171 to 13, Liberals joining with Conservatives in defeating it. The vote on the Amendment was then taken. This was negatived, 119 to 63, the supporters of the Sub-Amendment voting with the Government. The Main Motion carried, 107 to 72.

Dominion Finances. The Main Estimates for the year ending Mar. 31, 1934, were tabled by the Minister of Finance on Feb. 1, 1933. Total appropriations were \$358,656,488, as compared with \$364,884,224 for the year 1932-33. This represented a decrease of \$6,227,735 but, as the Government had to pay \$4,802,189 increased interest on debt and \$941,975 in increased subsidies to the Provinces, as a result of the 1931 Census, Controllable Expenditures were cut by approximately \$12,000,000.

Further Supplementary Estimates for the fiscal year ending Mar. 31, 1933, totalling \$1,534,957 were tabled on Nov. 8, 1932, the principal item being \$975,000 additional for unemployment relief. Also, on Mar. 16, 1933, an addition of \$54,380,809 to the 1932-33 Estimates was tabled. This included the sum of \$53,841,106 on account of the deficit of Canadian National Railways.

Supplementary Estimates for the fiscal year ending Mar. 31, 1934, were tabled on Apr. 19 and May 15, 1933. These included \$1,071,700 loans to Canadian National Steamships; \$8,765,270 on account of the Maritime Freight Rates Act; and \$2,087,964, miscellaneous.

The following table shows the Estimated Expenditure for the fiscal year ending Mar. 31, 1934, together with the sums granted for the fiscal year ending Mar. 31, 1933.

Service	Estimates 1933-34	Estimates 1932-33
Interest on Public Debt, including Sinking Funds.....	\$142,278,443.55	\$137,476,254.67
Charges of Management.....	909,081.00	886,628.00
Civil Government.....	10,101,537.66	10,446,485.76
Administration of Justice.....	2,206,300.00	2,200,800.00
Penitentiaries.....	2,941,400.00	2,966,376.12
Legislation.....	2,214,210.25	2,269,244.80
Agriculture.....	7,356,912.00	7,738,860.00
Immigration and Colonization.....	1,436,000.00	1,471,895.00
Soldier and General Land Settlement.....	1,173,600.00	1,848,253.00
Pensions.....	47,092,321.10	49,974,085.79
Superannuation.....	1,072,800.00	1,082,100.00
National Defence.....	11,307,559.42	11,316,156.24
Aviation.....	1,600,000.00	1,750,000.00
Railways and Canals—Income.....	828,030.00	771,983.45
Public Works—Income.....	11,991,482.38	13,212,947.38
Mail Subsidies and Steamship Subventions.....	2,172,930.00	2,085,702.50
Ocean and River Service.....	3,020,750.00	3,513,099.61
Lighthouse and Coast Service.....	2,441,520.00	2,442,120.00
Scientific Institutions.....	742,630.00	714,140.00
Steamboat Inspection.....	136,808.00	136,080.00
Fisheries.....	1,846,000.00	1,962,756.36
Subsidies to Provinces.....	13,686,177.12	12,744,201.32
Mines and Geological Survey.....	489,000.00	523,720.00
Labour.....	316,500.00	383,000.00
Public Printing and Stationery.....	147,000.00	174,000.00
Indians.....	4,407,850.00	4,326,100.00
Royal Canadian Mounted Police.....	5,615,595.75	5,569,819.75
Government of the Northwest Territories.....	417,425.00	430,120.00
Government of the Yukon Territory.....	115,000.00	162,500.00

Service	Estimates 1933-34	Estimates 1932-33
Dominion Lands, Parks, etc.....	1,696,775.00	2,095,391.37
Pensions and National Health.....	11,257,500.00	11,782,253.00
External Affairs	700,332.05	702,973.94
Miscellaneous	8,224,739.33	8,545,707.78
National Revenue	10,404,994.00	10,436,785.65
Railways and Canals—Collection of Revenue.....	2,738,720.00	2,828,525.00
Public Works—Collection of Revenue.....	711,500.00	740,600.00
Post Office	30,619,375.00	31,742,100.00
Trade and Commerce.....	4,997,339.50	5,183,901.55
Total Consolidated Revenue.....	\$351,416,138.11	\$354,637,668.04
Railways and Canals—Capital.....	\$ 2,959,500.00	\$ 5,086,056.00
Public Works—Capital	350,000.00	1,060,000.00
Public Works—Capital—Marine	3,856,350.00	3,518,000.00
Total Capital	\$ 7,165,850.00	\$ 9,664,056.00
Total Consolidated Revenue and Capital.....	\$358,581,988.11	\$364,301,724.04
Adjustment of War Claims.....	74,500.00	582,500.00
GRAND TOTAL	\$358,656,488.11	\$364,884,224.04

Government Loan. The House was moved into Committee on May 11 by the Minister of Finance, Hon. E. N. Rhodes, to consider a Resolution providing for the raising of a loan not exceeding \$750,000,000 "for paying or redeeming the whole or any portion of loans or obligations of Canada, and for purchasing and withdrawing from circulation unmatured securities of Canada." Mr. Rhodes, in explanation, stated that it would be necessary to refund treasury bills maturing in Canada on Aug. 1, amounting to \$50,000,000; to meet on Oct. 1 a 4 per cent. one-year issue of \$60,000,000 due in New York, and to refund on Nov. 1 a residual of the 1933 issue amounting to \$169,971,850. In addition money would have to be provided to meet the deficit on the Canadian National Railways and for the amount expended under the Unemployment and Farm Relief Act. The balance would be required for the purpose of putting through a refunding operation. The Resolution having been adopted, Mr. Rhodes introduced a Bill based on its terms. This was given first and second reading on May 11 and third reading on May 12. On the Motion for third reading George G. Coote (U.F.A., Macleod) suggested that no further bonds should be issued payable in gold but only in lawful money of Canada; that they should be made callable at any time and that they should be floated at a very much lower rate of interest, say three per cent.

Unemployment and Farm Relief; Other Debates of the Session

Much attention was devoted during the Session to unemployment and the kindred subject of farm relief. The matter was brought up on Nov. 21, 1932, by A. A. Heaps (Lab., North Winnipeg) when to the Motion to go into Committee of Ways and Means he moved in amendment "that in the opinion of this House it is desirable that a committee or commission be appointed to consider the economic situation in the Dominion with special reference to unemployment and to report back during the present Session of Parliament." To the proposed committee or commission Mr. Heaps suggested that the following be referred: (1) ways and means of eliminating unemployment; (2) jurisdiction as between Federal and Provincial governments; (3) seasonal unemployment; (4) technological unemployment; (5) reduction of hours of labour; (6) increase of real wages; (7) annual productive capacity and consumption in relation thereto, as well as the potential productive capacity of the Dominion; (8) the spread between wages and production. He claimed that the solution of the unemployment problem was something of far greater importance to the country than the Imperial Trade Agreements and estimated the number of unemployed at approximately 750,000

or over 25 per cent. of the total employable population. In his view the old manner of dealing with the problem had apparently proved to be inadequate and he asserted that "the people of this country are looking to Parliament for redress . . . and this Parliament should not adjourn until it has been dealt with."

The Prime Minister took exception to the Amendment on the grounds that the subject had already been presented in the Amendment to the Address-in-Reply to the Speech from the Throne and that there was an amount placed in the Estimates for unemployment relief. The Speaker having ruled Mr. Heaps's Amendment out of order, an appeal was taken from his ruling and the Chair was sustained on a vote of 84 to 56. Speaking to the Motion, J. S. Woodsworth (Lab., Winnipeg N.-C.) said, among other things, that he was quite convinced "that industry to-day cannot at the same time provide dividends and also decent living wages and under those conditions we must consider the possibility of the reorganization of industry." He advocated the cutting-down of bond interest, claiming that \$90,000,000 could be saved annually if interest on the National Debt and the C.N.R. debt were cut in two. The Prime Minister, who followed, reviewed the Government's attitude towards the Amendment and repeated that there was no desire to curb the discussion. He then dealt with the constitutional aspects of the problem, pointing out that the question of jurisdiction was of paramount importance. In this connection he announced that it was the purpose of the Government to call an inter-provincial conference before Parliament reassembled to discuss unemployment insurance and other problems. As to a Federal commission he said, "we must realize that there are Provinces in this Confederation that will not tolerate the Dominion's interfering with or endeavouring to trench upon their jurisdiction."

The Leader of the Opposition took issue with the view that the Government could not appoint a commission to deal with Federal relief and urged that the expenditure of Federal moneys on relief should be entrusted to a non-partisan commission. He further advocated that all money going for relief from the Federal Treasury should go to the unemployed as wages; that no part of it should be paid to contractors or to those furnishing supplies. Hon. W. A. Gordon, Minister of Labour, who was in charge of unemployment relief, opposed the setting up of a commission as suggested by Mr. King, declaring that it would accentuate overlapping of authority. He was convinced that they could not do better than allow the intimate administration of relief measures to be carried out under the supervision of those upon whom the primary responsibility fell, "those who have to answer to their immediate communities for the success or failure of their efforts." Mr. Gordon then gave a thorough review of what had been done since the Government took office to handle the unemployment relief problem. The Debate was continued by several speakers, principally from the Opposition benches.

During his speech, the Leader of the Opposition had touched briefly on the serious condition of the agricultural industry. He intimated that he would move an Amendment dealing with this matter if the Government did not make a statement of policy and afford the Opposition an opportunity to discuss it. The state of agriculture was also discussed by William Irvine (U.F.A., Wetaskiwin) who said, "the situation has become so critical that in some parts farmers threaten to go on strike by refusing to produce next year's crop unless something is done to relieve their burdens." He declared that, "a dollar which equalled one bushel of wheat a few years ago, when farmers accepted financial obligations, has been stretched to equal three or four bushels of wheat. That is not an honest dollar." On Nov. 24, on the Motion to go into Committee of Supply, Mr. King moved an Amendment calling upon the Government to announce immediately what policy, if any, they had with respect to the relief of agricultural distress, and to permit full consideration of the same before Parliament adjourned over the months of December and January.

This Amendment was challenged by R. B. Hanson (Con., York-Sunbury) who claimed that it was out of order by reason of the fact that agricultural

distress had already been covered by the Opposition Leader's Amendment to the Address-in-Reply to the Speech from the Throne. Mr. King, however, argued that his former Amendment had related to the past, while the new one was concerned with the future and was, therefore, a new subject. After further argument the Speaker ruled the Amendment out of order, his decision being sustained on a vote of 85 to 51. Following the rejection of the King Amendment, William Irvine (U.F.A., Wetaskiwin) introduced another Amendment which demanded that the Government adopt certain emergency measures, namely, (1) that they should take such action as would lead to the writing off of all accumulated interest charges outstanding and would effect a substantial reduction in interest charges for the future; (2) that they should bring the Canadian dollar at least to that point where Canada would have a parity of exchange with her chief competitors in the British market; (3) that they should consider immediately the advisability of again paying a bonus on wheat, either on a bushelage or acreage basis; and (4) that they should create a "marketing board" competent to supervise and control the marketing of farm products.

A point of order having been raised, the Speaker ruled that this Amendment also was not in order; first, because it entailed discussion on the subjects of agricultural distress and the relief of agriculture, which had already been ruled out of order, and, second, because it involved a matter of which notice had been given and which stood upon the Orders of the Day as a notice of Motion. Notwithstanding this decision, a debate continued on the subject of farm finance and marketing, with several Members participating. It was concluded by the Minister of Labour, who dealt with the various criticisms that had been made. He defended the Soldier Settlement Board against charges of unfairness, stating that the Government, since coming into power, had felt that, only in respect of three-tenths of one per cent. of the total number of settlers, amounting to over 20,000, on lands in part owned by the Government, should they (the Government) take some action to protect the equity of the Crown. He challenged the views of unfavourable conditions presented and stated that "thousands and thousands of Western farmers are absolutely firm in their belief that by accepting this temporary condition and by exhibiting that courage which they, in common with the other people of Canada, so abundantly possess, they will overcome the present depression and Western Canada will again be prosperous and rightfully styled the Golden West." Much could be said in favour of inflation, he declared, but at the moment the Government did not think it was desirable. In again explaining what the Government had done for relief, Mr. Gordon stated that, up to that date, the sum of \$115,631,734 had been provided. He pleaded for fairness in criticism, for recognition of the tremendous responsibility being assumed by the Government, and for acknowledgment by the individual that he too had a duty to perform.

On Feb. 13, 1933, Hon. W. R. Motherwell (Lib., Melville) introduced a Resolution which, after setting forth the distress prevailing throughout the land, provided that surplus wheat should be placed at the disposal of the Red Cross, welfare bureaux and other similar organizations and that an exploration should be made of the possibility of selling on long-term credits "a substantial quantity of our embarrassing wheat carry-over to China or any other available country where poverty, hunger and misery prevail." He explained that this had been done in the United States and said: "If we follow suit and some other country does the same, eventually we shall get this great burden of carry-over wheat removed, without which we cannot have a restoration of prices." The Prime Minister received the Resolution sympathetically but pointed out that every step that could be taken to increase the consumption of wheat by Canadians had been taken and "in the matter of relief it may well be said that perhaps we have been over-generous in so far as the distribution of flour and wheat and agricultural products is concerned." He added that "no action that could be taken through the Red Cross or any other voluntary organization could in any sense increase the quantity of wheat that could be consumed or could in any sense lessen

the quantity available for export." He knew of no case in which there had been the slightest hesitancy on the part of those controlling the supplies of wheat to sell if the opportunity offered at the current market price. Hon. H. H. Stevens, Minister of Trade and Commerce, analyzed the world wheat situation and expressed the opinion that "we are not being borne down or overwhelmed with an unreasonable surplus of wheat at this time." Even if there was the same surplus as the previous year, it would be under conditions distinctly advantageous to Canada. The Debate was adjourned and the Resolution did not come up again.

Government legislation in connection with unemployment and farm relief was initiated on Feb. 24 when Hon. W. A. Gordon moved that the House go into Committee to consider a proposed Resolution: "That it is expedient to introduce a measure to continue in force the provisions of the Relief Act, 1932, until the 31st of March, 1934." The Minister at this time detailed at considerable length the proceedings and actions taken under the various relief measures, particularly the 1932 legislation. In doing so he dealt with each Province separately, showing the arrangements made and the amounts expended. Some of the highlights of his speech were: that, in pursuance of the almost unanimous recommendation of a Provincial Conference held in April, 1932, public works had been practically discontinued as relief measures and direct relief adopted; that a beginning had been made with a plan to settle unemployed upon the land, the total expenditure provided for this purpose being \$4,157,025 and the number of families involved, 6,923; that the Dominion Government had continued, since May 1, 1932, to contribute to direct relief on the same basis as under the 1931 Act and had also agreed to contribute 50 per cent. to the cost of operating board camps wherein the unemployed might be cared for and given useful work in return for subsistence and a small cash allowance; that for the current fiscal year the total Federal expenditure for relief purposes would not exceed \$25,000,000. The Minister stated that the total number of men, women and children receiving relief was 1,357,562, and in this was included all those who in normal times were given relief.

The Leader of the Opposition said he failed to see in all that the Minister had said anything suggestive of unity or any central principle on which the Government was proceeding. He recalled that at the Session of 1930 he had urged the appointment of a representative non-partisan commission to handle unemployment relief as a great national question and said that had this action been taken there would not have been "the kind of picture the Minister has given of spasmodic and sporadic relief with no central or guiding principle." He urged the immediate appointment of such a body and, as a permanent measure, he thought the Government ought immediately to announce their intention of introducing a national system of unemployment insurance.

The Debate was continued on Mar. 2, with Labour and Progressive Members taking a leading part in criticizing the Government's policy. On Mar. 3 the Motion was agreed to and the House went into Committee on the Resolution. Two Amendments were introduced and adopted, one limiting the amount to be paid for direct relief in the fiscal year ending Mar. 31, 1934, to \$20,000,000; and the other reading "and that provision be made for accepting securities from the Provinces for such loans, advances, guarantees, etc., as may be advanced by the Government; and that provision also be made for the maintenance of peace, order and good government throughout Canada." (The latter was strenuously opposed by Mr. Mackenzie King and other Opposition Members but was carried on a standing vote of 60 to 23.) On Mar. 22, after the Committee had discussed at great length many phases of the unemployment problem the Resolution as amended was reported, read the second time and concurred in on division. First reading was then given to a Bill to continue in force the provisions of the Relief Act, 1932, until Mar. 31, 1934.

Second reading was moved by Hon. W. A. Gordon on Mar. 23. Before the House divided, Mr. King briefly stated his objections, complaining that

the measure virtually gave the Government a blank cheque and blanket authority to legislate on anything. "We feel," he said, "that this measure is the negation of government by Parliament." The Motion for second reading was carried on a vote of 115 to 62. In Committee on Mar. 23 and 24 various aspects of the unemployment problem were discussed. When Section 3 came up providing for the setting up of an agricultural stabilization fund to assist producers of certain specified products in exporting to the United Kingdom when exchange was unfavourable, Mr. Bennett announced that \$10,000,000 would be a maximum requirement. Hon. James Malcolm (Lib., North Bruce) felt that the limitation of the scheme to certain products condemned it and declared it should apply to all products, while Hon. W. R. Motherwell protested against the omission of butter and wheat. Section 4, limiting payments for direct relief during the year ended Mar. 31, 1934, to \$20,000,000, brought an objection from William Irvine (U.F.A., Wetaskiwin) that the amount ought not to be limited and he moved an Amendment striking out the amount. This was ruled out of order by the Chairman and the Section was agreed to on division.

When Section 9 was reached the Leader of the Opposition proposed an Amendment making Sub-Section (b) of Section 2, which provided that the Governor-in-Council might "take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of Parliament, peace, order and good government throughout Canada, and to protect the credit and financial position of the Dominion or any Province thereof," inoperative while Parliament was in session. Otherwise, he argued, Parliament would be placed in an anomalous position. The Prime Minister agreed that a change was desirable and promised to revise the Section before third reading.

On Mar. 27 the Bill came up for the third reading. Mr. King again reiterated his objections. He held that the objects for which moneys were required should be named and approved by Parliament and that in giving blanket authority to the Government to legislate, Parliament was being deprived of its principal function. He charged that the administration of relief was very slipshod and haphazard and complained of lack of Federal control over Provincial expenditures. "The practice of having one authority raise the revenue," he said, "and another authority spend the money thus raised is absolutely wrong." The Government at the outset, he stated, should have laid down their own policy. The Act, he continued, committed Parliament to the undertaking of a number of objects to which it should not be asked to be committed at all in a measure relating to the relief of the unemployed. The other great objection was, that the measure was establishing a dictatorship under the guise of dealing with a condition of distress. He thought it significant that Conservative Members had remained silent throughout the Debate. J. S. Woodsworth, C.C.F. Leader, felt that the constitutional aspect on which the Leader of the Opposition had laid such emphasis, was not the important point. The party system prevented full discussion and matters had not been so different under the previous Administration. He suspected that the Government were interested more in repressive measures than in definite, constructive relief schemes. Their methods were haphazard and their policy one of drift. If it were intended to give the dole it should be on an adequate scale but the great need was work. He charged that the Government were not keeping faith with the ordinary people of the country, only with the bondholders, and while everybody else was taking his loss, the bondholders were receiving payment in full. The House divided on the Motion for third reading, which was agreed to on a vote of 89 to 46. The Bill was passed by the Senate on Mar. 30 after a brief Debate.

Redistribution. A long drawn-out battle took place during the 1932-33 Session over the legislation necessary to provide for the readjustment of representation in the House of Commons as a result of the decennial Census of 1931. Following the procedure first adopted in 1903 by Sir Wilfrid Laurier, the task of redistributing the ridings was referred to a Special Committee com-

posed of Hon. H. A. Stewart, Minister of Public Works, Chairman; H. J. Barber (Con., Fraser Valley); A. L. Beaubien (Prog., Provencher); Thomas Bell (Con., St. John-Albert); W. H. Burns (Con., Portage la Prairie); I. D. Cotnam (Con., North Renfrew); C. N. Dorion (Con., Quebec-Montmorency); Hon. J. C. Elliott (Lib., West Middlesex); Samuel Gobeil (Con., Compton); A. A. Heaps (Lab., North Winnipeg); J. L. Ilsley (Lib., Hants-Kings); D. M. Kennedy (U.F.A., Peace River); J. R. MacNicol (Con., Toronto Northwest); J. A. Mercier (Lib., Laurier-Outremont); Thomas Reid (Lib., New Westminster); R. K. Smith (Con., Cumberland); G. D. Stanley (Con., East Calgary); Hon. C. A. Stewart (Lib., West Edmonton); A. F. Tetzke (Lib., Humboldt) and F. W. Turnbull (Con., Regina). The Committee was divided into a number of sub-committees to deal with the individual Provinces.

When moving second reading of the Redistribution Bill on Nov. 25, 1932, the Prime Minister explained that the basis on which redistribution would take place would be a unit of 44,186, the result of dividing the total population of Canada by 65, the constant number of Members of the House of Commons for the Province of Quebec. There were two exceptions: (1) The British North America Act provided that when the change in the population of a Province did not exceed one-twentieth, there should be no change in the number of Members allotted to that Province and (2) a constitutional Amendment of 1915 stipulated that the representation of any Province in the House of Commons should never be less than that in the Senate. With these considerations in effect, representation under the new redistribution would be as follows: Prince Edward Island, 4 (fixed minimum); Nova Scotia, 12; New Brunswick, 10 (fixed minimum); Quebec, 65; Ontario, 82; Manitoba, 17; Saskatchewan, 21; Alberta, 17; British Columbia, 16; Yukon, 1; total, 245. The changes involved a decrease of 2 in the membership for Nova Scotia and of 1 in that for New Brunswick and an increase of 2 in that for British Columbia and of 1 in that for Alberta.

During the Debate on second reading, the Leader of the Opposition mentioned as guiding principles the desirability of following as closely as possible the county municipal organizations in defining and delimiting the constituencies; of having the unit of representation in urban centres larger than in rural constituencies; of an effort being made to secure compactness in the shaping of constituencies and of arranging as far as possible for an equalization of representation as between the different urban constituencies and as between the different rural constituencies. The position of Nova Scotia with its dwindling number of Members was referred to by Thomas Cantley (Con., Pictou) and Hon. J. L. Ralston (Lib., Shelburne-Yarmouth), both of whom claimed that adequate representation had been intended by the Fathers of Confederation. Hon. Ernest Lapointe (Lib., Quebec East) pointed to the anomaly created by the provision of The B.N.A. Act with respect to variations of less than one-twentieth in the population of a Province, showing that on the basis of the 1931 Census, Quebec had one Member for each 44,186 of population, while Ontario had one for each 41,849. He thought the matter might well be considered at the coming Dominion-Provincial Conference with a view to its repeal. Hon. Charles A. Stewart (Lib., West Edmonton) suggested that it might be an appropriate time to give representation to the North-West Territories. He also expressed the view that the Dominion-Provincial Conference might consider the advisability of reducing the size of legislative bodies.

As the Session advanced it became apparent that the Redistribution Committee was experiencing difficulty in arriving at a harmonious settlement of the changes necessary in the electoral map. This was particularly the case with respect to the Provinces of Saskatchewan and Quebec. In the former, Liberals complained that an effort was being made to readjust the riding of Prince Albert in such a way as to bring about the defeat of Rt. Hon. MacKenzie King, while through the elimination of the riding of Melville, Hon. W. R. Motherwell would lose his seat. So intense did feeling become that on May 13 at a meeting of the Committee, Mr. Motherwell slashed the proposed map of Saskatchewan with his walking stick. (*The Globe*, Toronto,

Mar. 15.) The deadlock was not broken when (May 17) the Committee presented its Final Report. This indicated unanimity only in the cases of the Provinces of Prince Edward Island, New Brunswick and Manitoba and of the Yukon Territory. It was suggested at this time by the Prime Minister that matters in dispute should be referred to a small Committee and the following were named: Rt. Hon. Sir George Perley and Hon. A. Duranleau for the Government; Hon. Ernest Lapointe and Hon. Charles A. Stewart for the Official Opposition and Robert Gardiner, Leader of the Progressives. This Committee endeavoured to smooth out the difficulties but failed to do so and on May 22 the House went into Committee on the Bill. The Debate—at times acrimonious—lasted for six days. It was featured on May 25 by the announcement of the Prime Minister that the Government did not propose to make any further concessions. (They already had agreed among other changes to retain the riding of Melville, Saskatchewan.) At another stage Mr. Mackenzie King advocated taking redistribution out of the hands of the House of Commons in future and placing it in the hands of a commission of judges. He also intimated that, if ever the Liberals were returned to power, a proportional representation measure would be a feature of their programme. The schedules for Ontario and Nova Scotia were passed on May 26 and those of the other Provinces on May 27. The Bill was then carried on a vote of 45 to 15. It was passed by the Senate without debate.

The principal changes involved were as follows: In Nova Scotia, the riding of Hants-Kings disappeared, Hants being joined with Colchester and Kings with Digby-Annapolis. The district of Clare was taken from Digby-Annapolis and added to Shelburne-Yarmouth. The riding of Richmond-West Cape Breton was also eliminated, reducing the Cape Breton constituencies from four to three. In New Brunswick the two-Member constituency of Saint John-Albert was reduced to one Member. Prince Edward Island remained as before.

There were numerous changes in Quebec. Bagot disappeared and St. Hyacinthe-Rouville became St. Hyacinthe-Bagot. Laprairie-Napierville was divided between Beauharnois and St. Johns-Iberville, these becoming respectively Beauharnois-Laprairie and St. Johns-Iberville-Napierville. Chambly-Verchères was altered to Chambly-Rouville, while Verchères was added to Richelieu. L'Assomption-Montcalm was joined to Joliette as Joliette-L'Assomption-Montcalm. Lake St. John became Lake St. John-Roberval. Matane became Matapédia-Matane and Megantic became Megantic-Frontenac. L'Islet was joined to Montmagny as Montmagny-L'Islet and Nicolet to Yamaska as Nicolet-Yamaska. Three Rivers-St. Maurice was divided, Three Rivers becoming a separate seat and St. Maurice becoming the new seat of St. Maurice-Lafleche. Quebec West and South replaced Quebec West. On the Island of Montreal, Laurier-Outremont became two seats, Laurier and Outremont; St. Antoine became St. Antoine-Westmount and the new constituencies of Chapleau, Mercier and Verdun were formed. Maisonneuve became Maisonneuve-Rosemont.

The Ontario changes were as follows: Bruce North, Bruce South and Grey South East were replaced by Bruce and Grey-Bruce. Elgin West and Norfolk-Elgin were eliminated and the ridings of Elgin and Norfolk formed. The ridings of Huron-Perth and Perth were formed in place of Huron South, Perth North and Perth South. Lambton East and Lambton West disappeared and Lambton-Kent was created. The two-Member constituency of Ottawa was divided into Ottawa East and Ottawa West. The two Oxfords, North and South, were reduced to one constituency. Port Arthur-Thunder Bay became simply Port Arthur, while Temiskaming North and Temiskaming South became Temiskaming, with a new seat, Cochrane, in the North. A new seat in York County was created with the name York East. Radical changes in the nomenclature of the Toronto ridings were made and their number increased from nine to eleven. These were to be known as Broadview, Danforth, Davenport, Eglinton, Greenwood, High Park, Parkdale, Rose-dale, St. Paul's, Spadina and Trinity.

The only change in Manitoba was the replacing of Nelson by Churchill. In Saskatchewan, the constituencies of Last Mountain, Long Lake, Rosetown, South Battleford and Willow Bunch disappeared and were replaced by Lake Centre, Rosetown-Biggan, Rosthern, The Battlefords and Wood Mountain. In Alberta, a new constituency, Jasper-Edson, was created, while the two additions to British Columbia's membership were made by the formation of the new constituencies of Kamloops and Vancouver East.

A Co-operative Commonwealth. An important Debate of the Session developed over a Resolution moved on Feb. 1 by J. S. Woodsworth (Lab., Winnipeg N.-C.). After directing attention to prevailing unemployment and the evidence of fundamental defects in the existing economic system, the Resolution provided that "the Government should immediately take measures looking to the setting up of a co-operative commonwealth in which all natural resources and the socially necessary machinery of production will be used in the interests of the people and not for the benefit of the few." Mr. Woodsworth's speech in introducing his Resolution told of the formation of the Co-operative Commonwealth Federation and of its objects. He declared emphatically that it had no connection whatever with Moscow, pointing out the distinction between the C.C.F. and Communism. Both believed in a changed social order and a new economic system. Communists were convinced that such a change could be brought about only by violence; on the other hand, said Mr. Woodsworth, "we believe it may come in Canada by peaceful methods and in an orderly fashion and that is the purpose of this organization." Then he added: "It may very well be that force may prove inevitable; yes, if the attitude of certain gentlemen is persisted in and the people of this country are denied the right that they have to self-expression and to the enjoyment of a decent livelihood." The first step to be taken in bettering present conditions, said Mr. Woodsworth, was to adopt a planned economy. Central planning could not be continued very far without involving the two questions: control of the banks and increased public control of industry. Already the state was intervening more and more in business affairs. As for private property, he believed that the original idea of private property should never have been extended to the machinery by which modern production was carried on. Large fortunes had been made by other methods than that of old-fashioned toil and under such circumstances there was no reason why the right to the possession of such fortunes might not be challenged.

An incident during Mr. Woodsworth's speech was the intervention of the Speaker, when the C.C.F. Leader asked the question: "Has the Prime Minister's own fortune been gained by honest toil?" After a brief altercation and the threat of the Speaker that he would have to name the Member unless he conformed to the rules of the House, Mr. Woodsworth withdrew "any imputation that the Prime Minister has made his money dishonestly."

Miss Agnes Macphail (U.F.O., South-East Grey) seconded the Resolution. She spoke of the failure of the old Parties to rise to the needs of the existing situation and of the consequent formation of the C.C.F., whose membership consisted of farmers and labourers, augmented by business, professional and smaller industrial people. Asserting that she was an anti-revolutionist, she declared that "it will not be the activities of the C.C.F. which will bring revolution in Canada." The only way, she believed, to get out of the depression was by collective action and she gave her ideas as to how this should be applied. Several speeches in support of the Resolution followed. G. G. Coote (U.F.A., Macleod) claimed that: "We are engaged in a war to-day, a war against depression, unemployment, hunger and poverty, and this war can be won only by scrapping the system which has brought about the present desperate condition, and by the use of honest money issued only by a national government agency, and guaranteed by the real wealth of the nation." A. A. Heaps (Labour, North Winnipeg), after enumerating some of the forms of government control already in existence, pointed out that "what we are really asking for in this Resolution is that this idea of state control, ownership and regulation, should be extended a great deal further than obtains at

the present time." E. J. Garland (U.F.A., Bow River) charged that there had been no intelligent leadership, on the part of either the bankers, the statesmen, the big business men or anybody else during the period of economic strain and added that the group to which he belonged was at least offering to the people some leadership, some way out.

Opposition to the Resolution was first voiced on Feb. 2 by J. R. MacNicol (Con., Toronto N.-W.), who decried the C.C.F. movement as scaring needed capital from Canada and urged C.C.F. leaders to stop their talk, for the country's good. J. Earl Lawson (Con., West York) also spoke vigorously against the Resolution. One of his strong assertions was: "When I find in every Session since I have been in the House the honourable gentleman (Mr. Woodsworth) so concerned for that country which has a completely state-controlled economic system; when added to that I find him blossoming forth in 1932 as the leader of this new—not political party—social movement, and when I find that the utterance of the gentlemen who support that movement lead ultimately to complete state control, then, sir, I think I am justified in coming to the conclusion that the co-operative commonwealth is Communism; Communism without bloody revolution, if you will; Communism without what these honourable gentlemen are pleased to term bureaucratic control, if you will, but, nevertheless, as an economic system and in its essence I say that co-operative commonwealth is Communism and Communism is co-operative commonwealth." At another point he declared, "To my mind, it is democracy, not capitalism, which is the issue raised by my honourable friends in their Motion." Other speakers who attacked the Resolution were Gordon Wilson (Con., Wentworth) and G. R. Geary (Con., South Toronto), while support was given by Angus MacInnis (Lab., Vancouver South), William Irvine (U.F.A., Wetaskiwin), H. E. Spencer (U.F.A., Battle River) and A. W. Neill (Lab., Comox-Alberni).

The Debate was resumed on Feb. 9 and at this sitting the Liberals represented by Hon. W. R. Motherwell (Melville), J. F. Pouliot (Temiscouata), E. J. Young (Weyburn) and C. R. McIntosh (North Battleford) joined the Conservatives in opposition to the Resolution. There were further speeches on Feb. 23, while on Feb. 27 the Opposition Leader, Rt. Hon. W. L. Mackenzie King, in a two-hour speech dealt very fully with the policy of the C.C.F. and declared it to be impracticable. "I cannot conceive," he declared, "any intelligent man or woman in the country for a moment believing that the Government of Canada could immediately—because that is what the Resolution calls for—take over what is meant by the socially necessary means of production and administer them on the part of the State." "Have we any guarantee," he asked at another point, "that, if the State were controlling everything, conditions would not be infinitely worse?" He raised the questions as to who would select the leaders of the new state and how wages would be determined. He also asked how the transition to the socialist state would be effected. At the conclusion of his speech, Dr. Ira D. Cotnam (Con., North Renfrew) unexpectedly precipitated a division by moving the adjournment of the Debate. This was carried by 84 to 52 and the Resolution did not come up again during the Session. Liberals, with the exception of Oscar Boulanger (Bellechasse) voted against adjournment.

Section 98, Criminal Code. Another effort was made at the 1933 Session by J. S. Woodsworth (Lab., Winnipeg N.-C.) to secure the repeal of Section 98 of the Criminal Code dealing with unlawful associations. Mr. Woodsworth introduced a Bill for the purpose on Feb. 13 and at several consecutive sittings of the House the measure was under debate. The House finally divided on an Amendment to the Motion for second reading made by the Minister of Justice, Hon. Hugh Guthrie, giving the Bill the six-months' hoist and this was carried on Feb. 23 on a vote of 89 to 45. In moving second reading on Feb. 14, Mr. Woodsworth pointed to previous efforts which had been made to repeal the Section and declared that repeal had found favour with a majority of the Members; and that, although it had been claimed by many that the section was a dead letter, never had been used and probably

never would be used, eight Communists had since been sentenced to Kingston Penitentiary, under this legislation. They had been guilty of no overt act, he claimed, but were convicted simply because they belonged to an association which was said to be affiliated with a body in Russia which believed in the use of force. "If my understanding is correct," said Mr. Woodsworth, "the general spirit of British law is absolutely opposed to that kind of legislation. We have been taught that a man can be convicted only when he has actually committed some crime but these men have not been convicted of any crime. They were convicted for holding a certain belief, and I say that is something quite new in British law." Mr. Woodsworth mentioned the stand of labour bodies and of the Montreal and Ottawa Conference of the United Church against the Section and went on to demonstrate that the use of force under certain circumstances was recognized "by our own leading men." He then reviewed the various Sub-Sections of Section 98 and concluded by disclaiming that he was an advocate of force. "I am not urging the repeal of this legislation," he said, "in order that there should be free advocacy of force in Canada. I do say, however, that under other Sections of the Criminal Code there is ample provision that, if a man advocates the use of force, he may be arrested, tried and convicted, and then, if he is a foreigner, he may be deported."

Replying, the Minister of Justice explained that Section 98 had had its genesis during the Session of 1918, at a time of considerable unrest throughout the Dominion, which had culminated in the Winnipeg strike of May, 1919. After that, he pointed out, War conditions had considerably subsided and unrest to a large extent had vanished; existing economic conditions, however, were again producing serious unrest. "We know," he stated, "that there are a number of dangerous organizations and associations operating throughout the length and breadth of the Dominion under a variety of names." He charged that the Canadian Labour Defence League was operating in a most insidious manner and said he had evidence of the activities of this and similar organizations. He submitted "that if ever there was a time in the history of this country when Section 98 was justifiable as a part of the criminal law of this country, this is certainly the time." He emphasized that Section 98 was in no sense a hindrance to any right-thinking person.

Labour Members such as Humphrey Mitchell (East Hamilton), A. A. Heaps (North Winnipeg) and Angus MacInnis (Vancouver South) and Progressive Members such as Miss Agnes Macphail (South-East Grey), William Irvine (Wetaskiwin), Alfred Speakman (Red Deer) and Michael Luchkovich (Vegreville) generally took the line that repressive measures like Section 98 simply encouraged Communism. They were loud in their denunciation of the charge that, in supporting repeal, they were assisting in the spread of Communism and pointed to the hostility which existed between organized Labour and Communism. Support for repeal along similar lines came from such Liberals as Hon. Ernest Lapointe, former Minister of Justice, Thomas Reid (New Westminster), Samuel Factor (Toronto West Centre), J. F. Pouliot (Temiscouata) and Hon. Peter Heenan (Kenora-Rainy River). These Members also stressed the undesirability of repressive measures, expressed the view that the situation was adequately covered in other Sections of the Criminal Code and supported the charge that the Section was contrary to all ordinary rules of British justice.

Opposition to repeal was voiced by several speakers on the Government side. The serious nature of the Communist menace was emphasized; its direct connection with Moscow was claimed; and the inadequacy of other Sections of the Criminal Code to deal with it was urged. It was also pointed out repeatedly that there was nothing in the Section to cause concern to any law-abiding citizen. Speakers who followed this line of argument were J. R. MacNicol (Toronto N.-W.), W. J. Loucks (Rosetown), G. B. Nicholson (East Algoma), Hon. Maurice Dupré, Solicitor-General, Armand R. LaVergne (Montmagny), Errick F. Willis (Souris), F. R. MacMillan (Saskatoon) and Onesime Gagnon (Dorchester).

An incident of the Debate on Feb. 22 was the charge by Mr. LaVergne that George Williams of Saskatchewan, "the organizer of the Co-operative Commonwealth Federation Party in this country, is a paid agent of Moscow." Mr. LaVergne based his charge on an article in *La Revue des Deux Mondes*. (The statement was denied by Mr. Williams, who was quoted in a Canadian Press dispatch from Saskatoon, on Feb. 23, as saying: "I challenge Mr. LaVergne to make the same statement outside of the House of Commons, where he would be subject to a charge of libel. I am instructing my solicitors to take action against the newspaper publishing the statement on which Mr. LaVergne's charges were made." Mr. Williams stated that neither directly nor indirectly was the Co-operative Commonwealth Federation in receipt of Soviet funds.)

Another incident was the reading on Feb. 21 by Mr. Dupré of correspondence between Mr. Woodsworth and Rt. Hon. W. L. Mackenzie King, following the Election of 1925, as alleged evidence that the introduction of a Bill to repeal Section 98 in the Session of 1926 was "the price for the support of the two Labour Members" in the House at that time. This led to a heated interchange on Feb. 23, when Mr. King denied the charge and demanded a retraction from Mr. Dupré. Eventually, under pressure from the Chair, the Solicitor-General accepted "the statement made by the right honourable Leader of the Opposition."

F. R. MacMillan (Con., Saskatoon), in expressing surprise "at some of the statements made by the honourable Member for Winnipeg North Centre (Mr. Woodsworth) in an effort to disabuse the minds of the people of the belief that he is in favour of the use of force," quoted from *The Canadian Annual Review* of 1919, to show the connection of Mr. Woodsworth with the Winnipeg Strike of that year. He also recalled his personal experiences when, as Mayor of Saskatoon, he led a delegation to Winnipeg during the Strike. Mr. Woodsworth, in closing the Debate, claimed that "the article from which he (Mr. MacMillan) quoted is a most grotesque misrepresentation of what took place in Winnipeg," and proceeded to explain his connection with the strike. He reiterated his statement that he was not a member of the Communist Party and that he had never advocated the use of force; read quotations to show the hostility of the Communists towards him; emphasized the protest of labour bodies against the Section; charged that the result of such legislation was to engender panicky fear in the minds of officials and concluded with a further plea for "the removal of this legislation, which is objected to by important sections of our community, and which readily lends itself to abuse."

Radio Broadcasting. The subject of radio broadcasting received considerable attention during the Session. On Feb. 28 when Estimates of the Department of Marine were under consideration, Hon. Ernest Lapointe (Lib., Quebec E.) protested the circumstances under which the Department of Marine had issued a broadcasting licence to *La Patrie*, Montreal, claiming that it had been issued 23 days after the Radio Broadcasting Commission had been appointed and just three days before it had been sworn in. It had been done, he asserted, obviously for political purposes. Hon. Alfred Durand, Minister of Marine, justified the granting of the licence on the ground that there were at the time only two licensed broadcasting stations in Montreal and he did not think that three were too many for the largest city in Canada. Other Members, however, joined in protest against the alleged irregularity of the action taken and its political significance and the Debate continued for some time. Criticism was then offered by W. D. Euler (Lib., N. Waterloo) of the licence granted to Station CKOK, Windsor, which he claimed was virtually an United States station, and on this point there was also considerable discussion. F. G. Sanderson (Lib., S. Perth) next sought information as to the relative authority in radio matters of the Minister and the Commission, while the balance of the sitting was taken up with a consideration of the methods of collecting licence fees.

On Apr. 25, Rt. Hon. Sir George Perley, Acting Prime Minister, introduced a Resolution approving the purchase for \$50,000 of the Canadian National Railways' broadcasting stations and equipment. A fairly lengthy discussion developed, centring for the most part on the fairness of the price paid. Hon. R. J. Manion, Minister of Railways and Canals, read from a statement showing that the Directors of the C.N.R. had entered into negotiations with the Commission through the C.N.R. Director of Publicity; that the Commission had offered to take over the facilities at \$50,000; that the transfer of the radio activities would effect a reduction in the Railway's payroll of \$45,000 *per annum* and a total reduction in expense, founded on 1932 experience, of upwards of \$80,000 *per annum* and that the capital investment before depreciation charges was \$132,000. The Directors recommended acceptance of the offer subject to the approval of Parliament. Hon. J. L. Ralston (Lib., Shelburne-Yarmouth) was most critical in his view of the transaction, declaring that "the Radio Commission is going to take this over at junk value in order that it may make the best showing possible and the interests of the Canadian National Railways are permitted to drift entirely into the background in order that the Minister of Marine may make a good showing with his Commission." Another outspoken critic was P. F. Casgrain (Lib., Charlevoix-Saguenay) who remarked, "In this Bill a present is being made to the Minister of Marine, and I think we are giving far too much to him. We are handing over to him one of the greatest assets of the Canadian National Railways." On the other hand Thomas Cantley (Con., Pictou) said "I should like to congratulate my genial friend, the Minister of Railways, upon getting rid of a white elephant and receiving \$50,000 for it," while A. A. Heaps (Lab., Winnipeg N.) was satisfied that both sides had made a good bargain. Hon. Raymond Morand (Con., E. Essex), who had been Chairman of the Committee which had reported on radio, recalled that the Committee had decided that "the only way to handle radio was by control and gradual nationalization." With that the House had been in agreement. To-day, he said, apparently some Members were sorry that they had agreed. He felt that the Commission was doing very good work. Prior to adoption of the Resolution some criticism was voiced of alleged statements by the Chairman of the Commission to the effect that Members, who had been trying to elicit information from the Minister of Marine, had had their questions suggested to them by New York interests. The Resolution was concurred in and a message sent to the Senate asking for its approval. This was given by Resolution on Apr. 26, 1933.

A Bill to amend the Radio Broadcasting Act was introduced on May 10, by the Prime Minister (Mr. Bennett). As introduced, it provided that the Commission should have authority to employ its officers, clerks and other employees without recourse to the Civil Service Commission and that stations might be leased or purchased subject to the approval of the Governor-in-Council, instead of as formerly, subject to the approval of Parliament. On the Motion for second reading on May 11, Mr. Mackenzie King objected strongly to taking away from the Civil Service Commission its authority in the matter of appointments and from Parliament its control over capital expenditures. Other Members took advantage of the Debate to criticize the Commission and its work, Hon. Ernest Lapointe (Lib., Quebec E.) declaring "that there is no public body in Canada so unpopular as the present Radio Commission." Hon. Alfred Duranleau, Minister of Marine, spoke at length in defence of the Commission, enumerated some of its accomplishments and stated that the changes being sought had been recommended by Major W. E. Gladstone Murray, a Canadian, now one of the leading officials of the British Broadcasting Corporation, whose services had been loaned to the Canadian Government for the purpose. Major Murray had travelled all over Canada and had heard representations from many different bodies. (Mr. Duranleau read an interim report from Major Murray dated May 5, 1933). He concluded with the remark: "It seems to me the Opposition is not consistent when it criticizes the Commission and at the same time denies the Commission

the tools which they think they need in order to make a success of their administration." During the Debate Hon. W. D. Euler (Lib., N. Waterloo) suggested that the Radio Commission might be authorized to appoint its technical officers but that clerical employees should continue to be appointed by the Civil Service Commission. The Prime Minister concluded the Debate with a strong defence of the Commission and of the system under which it was working. He announced that a committee would be appointed "in due course to consider the matters here dealt with" and that in the meantime, a clause would be added providing that the Bill should expire on July 1, 1934. (This was changed to Apr. 30, 1934, in the Bill as passed). The House then divided on the Motion for second reading and this was agreed to on a vote of 89 to 46. During the Committee stage discussion covered a wide range. The principal point of attack was on the subject of appointments but Opposition Members also dealt with licences granted to certain newspapers, the personnel of the Commission, alleged undiplomatic utterances of the Chairman, the public utilization of the radio for political advantage, etc. These attacks brought from the Prime Minister the remark that "the way in which this discussion has been carried on to-day will certainly militate against the usefulness of the Commission."

Resuming on May 16, the Committee completed its work. Much of the time was taken up with a discussion of the regulations issued by the Commission, particularly with respect to its powers of censorship. In the end the Bill was amended in such a way as to give the Commission power to appoint only in the case of "technical, professional and other officers," leaving to the Civil Service Commission all other appointments. A further Amendment required the Commission to make a budget and submit it to the Minister of Finance so that he might know that the Commission was not incurring liabilities beyond those which would be met by the receipts from licences and from the conduct of its advertising and other business. Mr. Bennett again stated that it was his intention to ask the same Committee which sat before to investigate the operations of the radio legislation "in the light of the facts as disclosed by the experience of the Commission since it has been in office." The Bill was given third reading on division and was passed by the Senate on May 18, 1933, without debate.

The Canada Shipping Act. Important measures were before both Houses of Parliament dealing with the shipping industry. In the Senate on Mar. 8, 1933, first and second readings were given to a Bill entitled "An Act respecting Shipping in Canada," which Rt. Hon. Arthur Meighen, Government Leader, characterized as "an exceedingly comprehensive and lengthy piece of legislation; in fact, the largest in point of volume of any that I have ever seen introduced." Mr. Meighen explained that the measure was intended to meet the provisions of the Statute of Westminster which placed on Canada the responsibility of repealing sections of Imperial Statutes applicable to the Dominion and substituting a Canadian law *in lieu* thereof. At the same time it was proposed to remodel the Merchant Shipping Act of Canada so as to bring it more into conformity with existing circumstances and developments. The Bill interpreted two international agreements known as the Safety Convention and the Load Line Convention; adopted the international conventions concerning seamen's articles of agreement, the reparation of seamen, the marking of heavy articles and the inspection of ships' tackle; incorporated the Maritime Conventions Act and as much of the Radio Telegraph Act as related to ships; amended, at great length, the penal provisions of existing legislation; provided for the registering of ships in Canada, etc. The Bill was referred to the Standing Committee on Banking and Commerce of which Hon. F. B. Black was Chairman.

The measure created great interest among shippers and ship-owners, particularly among those operating on the Great Lakes, and at sittings of the Committee on Apr. 4, 5, 6 and on Apr. 10, numerous witnesses representing the above interests gave evidence. W. F. O'Connor, K.C.,

Counsel to the Committee, raised a constitutional point which seriously disturbed the Committee. "When we write that law (the Merchant Shipping Act of 1894) into our Act," he pointed out; "when we re-enact it, we have not got the machinery nor have we the power to command the machinery of another country." His reference was to the consular service of the Imperial Government which could only be placed at the disposal of Canada through action on the part of the Parliament of the United Kingdom. It would be unwise, he thought, to proceed with the Bill until that Parliament had passed such legislation; otherwise Canadian shipping might be left without protection in the ports of the world. As a result of this representation by Mr. O'Connor the Committee adopted a resolution appointing a sub-committee of three to consider the situation and report back. In the end the Government decided to withdraw the Bill and this was done on Apr. 26.

It was felt, however, by the Administration that some remedial legislation might be enacted to protect Canadian ship-owners engaged in the coasting trade and to make certain other changes within the competence of Parliament. Accordingly on May 4, Rt. Hon. Arthur Meighen introduced a much shorter Bill entitled "An Act to amend the Canada Shipping Act." This was given first and second readings and referred to the Committee on Banking and Commerce. The Committee reported the Bill on May 10 and, on May 11, it was given third reading. It was introduced the following day in the House of Commons by Hon. Alfred Duranleau, Minister of Marine. In moving second reading on May 16 he stated that its primary object was to amend Canada's coasting laws in order to place them on a parity with United States laws. Under Section 985 of the existing Act, United States bottoms were prohibited from transporting goods or passengers directly from one Canadian port to another but they were able to evade the law by taking them from a Canadian to a United States port and transshipping to another Canadian port. Other Amendments provided that the authority vested in the Minister in pilotage matters might be conferred on the Deputy Minister in the absence of the Minister: for the inspection of ships' tackle used in loading or unloading vessels in Canadian ports; for the marking of the weight on all packages weighing over 2,240 pounds and for the giving of helm orders in the direct sense on all ships registered in Canada.

The Debate centred almost entirely on the clause reading: "No goods shall be transported by water or by land and water, from one place in Canada to another place in Canada, either directly or by way of a foreign port, or for any part of the transportation, in any ship other than a British ship." Members representing Western grain-growing constituencies such as E. J. Garland (U. F. A., Bow River), Alfred Speakman (U. F. A., Red Deer), G. G. Coote (U. F. A., Macleod), E. J. Young (Lib., Weyburn), D. M. Kennedy (U. F. A., Peace River), J. L. Brown (Lib., Lisgar), T. F. Donnelly (Lib., Willow Bunch), C. R. McIntosh (Lib., North Battleford), and Hon. W. R. Motherwell, (Lib., Melville) argued that by restricting grain carrying on the Great Lakes to Canadian ships, freight rates would be increased, to the injury of Western grain growers. On the other hand Hon. H. H. Stevens, Minister of Trade and Commerce, pointed out that over 100,000,000 bushels of Canadian wheat were being carried in foreign vessels, while Canadian vessels had no opportunity of a like access to the United States market; that Canadian shipping was adequate to handle the grain; that ample power existed in the Inland Water Freight Rates Act, the Canada Shipping Act and the Customs Act to provide against any encroachments on the rights of shippers or any danger of a monopoly. In this stand he had the support of G. B. Nicholson (Con., E. Algoma), who referred to the large sums of money spent on harbour and other facilities at Canadian lake ports; D. J. Cowan (Con., Port Arthur-Thunder Bay) who, as representative of an important lake port, pointed to the facilities for handling grain in Canada; H. A. Mullins (Con., Marquette) who could see no danger of higher freight rates in the arrangement and W. J. Loucks (Con., Rosetown) who also felt that there would be no exploitation in rates. Second reading was carried

on a vote of 66 to 30. The Bill was in Committee on May 18 and 19 when further discussion took place on the coasting laws. At the last minute the Government added a Section providing that the change in the coasting laws should not become effective until a date to be fixed by the proclamation of the Governor-in-Council. The Bill then received its third reading on division.

Bank Act Amendment. A Bill extending the existing bank charters in Canada for a year was introduced and given first reading on Feb. 15, 1933, but did not come up for further consideration until May 1, when Hon. E. N. Rhodes, Minister of Finance, moved second reading and the Bill was put through all stages. Speaking to the Motion for second reading, Mr. Mackenzie King stated that he did not think the reasons given in the Speech from the Throne and by the Prime Minister at the time of the Debate on the Address were sufficient to justify postponement of revision of the Act. There were no more important questions facing the country than those arising out of matters pertaining to banking, credit and currency. G. G. Coote (U.F.A., Macleod) expressed regret that the Government had not held an investigation earlier so that a Bank Act in conformity with the needs of Canada might have been brought down at the present Session. He advocated controlled inflation and the establishment of a central bank and expressed satisfaction that a Royal Commission would be appointed. The Prime Minister contrasted the banking situation in Canada with that in the United States, where the banks had had to close and declared that "we have come thus far through a great crisis with singular credit to Canadian banking institutions." He was still convinced that, in view of world conditions, it was unwise to undertake a revision of the Bank Act at the present Session. "We were of the opinion," he declared, "that a disturbance of the banking system, in view of what was taking place in the world, would not be advisable in the interests of what we had in mind, namely, the preservation of the integrity of our institutions." It had been decided, having regard to all these things, to appoint a commission to investigate and the commission would consider the question of a central bank as well as the Bank Act itself. Hon. J. L. Ralston (Lib., Shelburne-Yarmouth) did not think the reasons given for postponement were adequate and said that if the banking institutions were in the sound position stated by the Prime Minister, would it not be the part of reason, wisdom, commonsense and orderly administration to go ahead and do business as usual with regard to revision of the Act. He felt that, with conditions as they were, a revision of the Bank Act would have been very proper and useful. Hon. Ian Mackenzie (Lib., Vancouver) congratulated the Government on its proposed national fact-finding commission and advocated strongly the establishment of a central bank to control national credit and currency. During the Committee stage discussion centred chiefly on alleged infractions by the banks of Section 91 of the Act limiting to 7 per cent. the rate of interest which a bank may charge. There was no debate on Motion for third reading, which was carried without division. The Senate passed the Bill on May 4, with practically no debate.

Penitentiary Appointments. Considerable opposition was voiced when on Mar. 30, Hon. Hugh Guthrie, Minister of Justice, moved the House into Committee to consider a Resolution providing for the appointment of penitentiary officials by the Governor-in-Council. Rt. Hon. Mackenzie King at once protested against the "departure from the merit system and return to the discredited patronage system." It would turn the penitentiaries into political machines, he feared, and would have an unsettling effect on the whole Civil Service. Following him several Members rose to object to the proposal. If, said E. R. E. Chevrier (Lib., Ottawa), there were defects in the system of appointments, the Civil Service Commission should not be blamed but rather the ineffective regulations under which it worked. E. J. Garland (U.F.A., Bow River), declared the remedy lay in "an intelligent and rational Amendment of the Civil Service Act and the appointment of a

strong and effective commission." Humphrey Mitchell (Lab., Hamilton E.) remarked that "I am not so sure that the policy which the Government contemplates will not work in an entirely opposite direction to that which the Minister contemplates." Others who voiced opposition were Thomas Reid (Lib., New Westminster); R. W. Gray (Lib., Lambton W.); Angus MacInnis (Lab., Vancouver S.) and C. R. McIntosh (Lib., North Battleford). The only Member speaking in favour of the Resolution was J. Arthur Denis (Lib., St. Denis). Mr. Guthrie in his reply pointed out that the Penitentiary staff was not a Civil Service staff at all but a semi-military one. He believed that better care in the future should be taken in the selection of guards and declared that there would be no interference allowed in the proposed system of appointments any more than there was in the case of the Royal Canadian Mounted Police. It was further proposed that men should be put through a system of training before being definitely appointed. Finally, no new departure was suggested, as in many branches of the Government service, the Civil Service Commission had no jurisdiction. The Resolution being concurred in, a Bill amending the Penitentiary Act accordingly, was introduced.

Second reading was moved by Mr. Guthrie on Apr. 3. Hon. Ernest Lapointe, former Minister of Justice, at this time expressed his approval of taking the appointment of the wardens and guards from the control of the Civil Service Commission, but objected to having clerks and other employees of the Penitentiaries Branch similarly exempted. A. E. Ross (Con., Kingston) and C. G. Power (Lib., Quebec S.) protested against "arbitrary dismissals and dismissals without investigation" and several Members expressed fear that the claims of returned soldiers to preference in appointment as guards were being overlooked. There were also further criticisms of the principle of the Bill. The Minister of Justice finally stated that he would not have the slightest objection to the Bill being amended so as to confine it to persons actually engaged in the penitentiaries. In Committee, Mr. Ross dealt at some length with the riots at Portsmouth Penitentiary, attacking the Superintendent of Penitentiaries for his handling of the disturbances, while the Minister went into an elaborate explanation of the situation. Several Members criticized the Superintendent's reference in his Report to privates as guards, *viz.*, "at the present time there are many guards who had little or no service that would recommend them to be penitentiary or prison guards, mostly having terminated from three to five years' service with the rank of private, which would indicate that they had reached their limit in military advancement, and could not be expected to show a higher standard in civil life," and from this deduced that the preference in ex-service men would be wiped out. The Minister of Justice, however, introduced an Amendment extending to returned soldier applicants the preference set out in Section 29 of the Civil Service Act, while a further Amendment provided that "all other officers, clerks and employees of the Penitentiary Branch should continue to be subject to the provisions of the Civil Service Act." The Bill was given third reading and passed on Apr. 4, 1933.

Pension Act Amendment. To give effect to certain recommendations of the Special Committee appointed to investigate the administration of the Pension Act, a Resolution was introduced on Apr. 20 by Hon. Murray MacLaren, Minister of Pensions and National Health, providing for (1) the elimination of various provisions relating to the Pension Tribunal; (2) an increase in the number of members of the Commission and to prescribe their tenure of office; (3) the continuation of the Pension Appeal Court; (4) the appointment of an *ad hoc* judge as a member of the Pension Appeal Court; (5) the appointment of a travelling inspector of the Veteran's Bureau, and of pension counsel, and a reviewing officer; (6) the payment of awards by the Comptroller of the Treasury and (7) generally to simplify and improve procedure under the Act. There was a brief discussion of the Resolution. Hon. Ian Mackenzie (Lib., Vancouver C.) and C. G. Power (Lib., Quebec S.) advocated the submission of the measure to a special com-

mittee of the House, a suggestion which was also supported by G. R. Geary (Con., Toronto S.) The Minister summed up by saying: "The machinery will be simplified and improved, so that it will be easier for applicants to get their applications dealt with. It will not change the basis for pension one way or the other, but it will expedite matters." The Resolution was concurred in and first reading given the Bill on which it was based.

The Bill was given second reading on Apr. 21 and on Apr. 24 was referred to a Special Committee composed of Messrs. Arthurs, Beaubien, Gagnon, Geary, Mackenzie (Vancouver C.), Power, Ralston, Ross, Sanderson, Smith (Cumberland), Speakman and Stewart (Lethbridge). The name of Mr. Chevrier was substituted for that of Mr. Power on Apr. 25, 1933.

The Committee presented its Final Report on May 11 and on May 12 the Bill was taken up in Committee of the Whole. At this time J. Arthurs (Con., Parry Sound), Chairman of the Special Committee, explained that several changes had been made in the measure. It was provided that a new body should be formed to be called the Canadian Pension Commission, consisting of not less than eight and not more than twelve members and that the existing Board of Pension Commissioners and the Pension Tribunal should be done away with. Provision was also made that the reviewing officer should be entirely independent; he would be appointed by the Governor-in-Council and would be responsible to no particular body. The Bill further provided that *ad hoc* Members might be added to the Pension Appeal Court so that the Court would be able to catch up with the congestion. The Bill was considered at some length by the Committee, its provisions were approved and third reading given.

Tariff Board Chairman's Salary. The Prime Minister (Mr. Bennett) on May 9 moved the House into Committee to consider a Resolution providing that the salary of the Chairman of the Tariff Board should be \$15,000 *per annum* (an increase of \$3,000 from the sum specified in the Tariff Board Act) and that any member of the Board serving for a period of ten years and being then sixty years of age or over might be granted an annuity equal to one-half his annual salary. The Motion was agreed to on division and the Resolution concurred in. First reading was then given to a Bill based on the Resolution and amending the Tariff Board Act accordingly. The Bill came up for second reading on May 16. There was further debate and the House divided on the Motion which was agreed to on a vote of 65 to 39. The Bill was rapidly put through the Committee stage, reported, read the third time and passed. The personnel of the Tariff Board had been announced on Feb. 6, 1933, as follows: Chairman, Hon. George H. Sedgewick; Vice-Chairman, Milton N. Campbell; and Member, Charles Hebert.

Salary Deduction Act. A Resolution providing that the Salary Deduction Act 1932 should be continued in force for another year was moved on Feb. 7 (1933) by the Minister of Finance, Hon. E. N. Rhodes. Objection was raised by several Members to the continuation of the ten per cent. cut in the salaries of the Civil Service and the indemnities of Members of Parliament involved in the legislation. It was argued that there were other plans for economy without cutting down the salaries of the poorer paid Civil servants; that a flat rate cut of 10 per cent. was inequitable; that it was a penny wise pound foolish policy to decrease purchasing power in this way and that other employers, following the Government's example, intensified the condition. This was the attitude taken by such Members as J. F. Pouliot (Lib., Temiscouata); William Duff (Lib., Antigonish-Guysboro); J. S. Woodsworth (Lab., Winnipeg); Hon. Peter Heenan (Lib., Kenora-Rainy River); Humphrey Mitchell (Lab., Hamilton E.) and A. A. Heaps (Lab., Winnipeg N.). On the other hand Hon. Fernand Rinfret (Lib., St. James, Montreal) came out strongly in support of the measure, stating that all public bodies were finding it necessary to do the same. A. M. Carmichael (Prog., Kindersley) declared that "knowing conditions in agricultural areas, representatives of agricultural constituencies would be very

nervy indeed to oppose a 10 per cent. cut", and Hon. J. C. Elliott (Lib., Middlesex W.) thought the Government should take even more drastic measures. The Resolution was under debate on Feb. 7 and again on Feb. 24, when it was concurred in and a Bill based on its provisions introduced and given first reading.

The Bill was given its second reading on Feb. 28. In the Committee stage J. L. Hsley (Lib., Hants-Kings, N.S.) stressed the unfairness of deducting 10 per cent. from those employees who were being paid partly in cash and partly in kind, while A. Speakman (U.F.A., Red Deer) expressed concern for those postmasters who derived their remuneration on a commission basis. E. R. E. Chevrier (Lib., Ottawa) again emphasized the decrease in purchasing power resulting from the cut, which he estimated at \$83,000,000 for the year. The Bill was reported, read the third time and passed without division.

Indian Act Amendment. Several changes in the Indian Act were made during the 1932-33 Session. These dealt with the appointment of officers of the Royal Canadian Mounted Police as truant officers; the prohibition of the sale by Indians or the purchase by other persons of cattle or produce from reserves without the written consent of the Indian Agent; the establishment of roads on reserves; the method of enfranchisement of Indians; the penalizing of residing or hunting on any reserve without authority and certain restrictions on the use of aboriginal costumes at native dances. Discussion centred principally on the enfranchisement provision. Both the Prime Minister, Rt. Hon. R. B. Bennett, and the Minister of the Interior, Hon. T. G. Murphy, pointed out that the Amendment was being asked simply because there were many Indians who as a result of education and other advantages had reached the point where they should accept full responsibility of citizenship. As for the Indian Treaty and other treaties affecting the Indians, these had not precluded Parliament from legislating previously when dealing with Indian matters. As finally adopted, the Amendment retained the old provision that an Indian might be enfranchised on his own application or on application of the band to which he belonged, but added a new provision giving the Superintendent-General power to appoint a board, consisting of a judge, an officer of the Department of the Interior and a member of the band to which the Indian under investigation belonged, to make full inquiry as to the fitness of any Indian to be enfranchised. It was provided, however, that no enfranchisement of any Indian or Indians should be made in violation of any treaty, agreement or undertaking that might have been entered into between the Crown and the Indians of the band in question. The Amendment was agreed to, on division, and on May 9 the Bill was given third reading without further debate. It passed the Senate on May 16 after a brief debate.

Migratory Birds Convention Act. First reading was given on Feb. 2 to a Bill, sponsored by Hon. T. G. Murphy, Minister of the Interior, amending the Migratory Birds Convention Act. The first Amendment was designed to render unnecessary the printing of the regulations in the prefix to the annual Statutes; the second, to obviate the need of the Royal Canadian Mounted Police taking an additional oath in connection with the particular enforcement of the Act; and the third to eliminate the ambiguity in the wording of Section 6, since the word "bird" was not defined in the Act to include the various birds it protected. Discussion carried on while the Bill was in Committee centred largely on the part played by the Royal Canadian Mounted Police in the enforcement of the law. It was proposed that all members of the Force should for the purposes of the Act be *ex-officio* game officers. Criticism was voiced that there would be conflict between Dominion and Provincial police; that too much power was being vested in the Mounted Police; and that people who had formerly done the work would be losing their positions. Notwithstanding these objections the Bill was passed, third reading taking place on Feb. 14.

Soldier Settlements. The Minister of Immigration and Colonization, Hon. W. A. Gordon, moved the House into Committee on Mar. 16 to consider a Resolution providing for certain relief for soldier settlers, including remission of interest, additional credit, the removal of the lien on equipment, etc. As explained by the Minister, it was proposed to remit interest accruing for the twelve months preceding the standard date in 1932 and to extend credit, dollar for dollar, to those paying the whole or part of the instalments falling due during the years 1932 to 1937. He stated during the discussion that the legislation conformed as nearly as possible to the views of the majority of the soldier settlers. "In my judgment," he added, "as a remedial measure the proposed legislation does deal equitably with the soldier settlers throughout Canada, and others holding contracts with the Government." The Resolution was concurred in and a Bill introduced to amend the Soldier Settlement Act accordingly. This was not given second reading until May 4. In Committee, Mr. Gordon made the statement that the interest to be remitted would be \$2,250,000, while bonuses were estimated at \$5,000,000. The total number of soldiers placed on the land was 24,715. He also stated that the principal investment in the scheme was \$117,670,711; the interest accrued, \$22,688,615 and the repayments to Jan. 31, 1933, \$50,968,483. The Bill was reported on May 8, read the third time and passed.

Royal Canadian Mounted Police. The Minister of Justice, Hon. Hugh Guthrie, on Mar. 30, moved a Resolution, which was concurred in, providing for an Amendment of the Royal Canadian Mounted Police Act, namely, for the utilization in its maintenance of moneys paid by the Provinces for services of the Force and for the disposition of moneys earned by any one of its members over and above his regular salary, pay and allowances. It also authorized the Governor-in-Council to determine by regulation the amount of allowance for pension purposes and to make further provision respecting the counting of service in South Africa by officers and constables for the purposes of pension. It was emphasized in the discussion that Parliament should have disclosed to it very fully the total amount that was necessary to be expended in maintaining the Force. In moving second reading of the Bill based on the Resolution on Apr. 3, Mr. Guthrie said, "I must inform the House that in the opinion of the Commissioner (of the R.C.M.P.) the situation existing at the moment in various parts of Canada, with regard to Communistic activities is not at all satisfactory. These activities have not been lessened during recent months. I regret to say that we have information that the Communist Party in all its ramifications in various parts of Canada is perhaps more active and dangerous to-day than it has been at any time in recent years." Owing to the possible need of increasing the Force, it was necessary, he stated, that the Governor-in-Council be given authority to advance the required sums out of moneys paid for police services by the six Provinces which had entered into agreements with the Dominion. Rt. Hon. Mackenzie King took exception to this method of financing, claiming that the Government had already obtained authority to take any necessary measures to meet emergent conditions and that the expenses of the R.C.M.P. should be provided in the same manner as other expenses of the Services of Canada. Unless there was some desire to conceal part of the expenditure of the Force, he could not see that this part of the Bill was needed at all. Angus MacInnis (Lab., Vancouver South) declared that increasing the Military and Police forces was no way to handle this situation and, if continued, would lead to disaster; while Sir Eugene Fiset (Lib., Rimouski) objected to it on the ground that it created a precedent without good reason. In the end Mr. Guthrie moved that Section I be struck out and with this change the Bill was reported, read the third time and passed.

Trade Relations with Russia. A proposal for an exchange of 100,000 Canadian cattle for Russian petroleum was brought to the attention

of the Minister of Agriculture, Hon. Robert Weir, during the latter part of 1932 by a Winnipeg syndicate headed by G. G. Serkau and J. H. Macdonald. Information about the scheme leaked out in December and it was stated in the Press that an agreement had been reached between Canada and Russia for the exchange of Canadian cattle, hides and other commodities for Russian petroleum and coal. Questioned regarding the matter, the Prime Minister, then on the Atlantic returning from England, replied that there was no foundation for such a report and that no communication of any kind had been received from the Soviet Government in this regard. When Parliament reassembled at the end of January, 1933, Mr. Bennett, in view of the public interest in the matter, made a statement in the House of Commons, in the course of which he reviewed trade relations with Russia since 1921 and gave an outline of the Serkau proposals. These, he said, contemplated the payment by the purchasers of commission of from 20 to 30 per cent. depending upon the value of the live stock, the commission being one cent per pound. A request was also made that a guarantee be given not only for one-half of the entire suggested purchase price, namely \$4,000,000, but also that the Government of Canada should guarantee that the Government of Russia would keep its alleged undertaking. The Minister of Agriculture, before even submitting the scheme to the Government for consideration, had asked for evidence of the *bona fides* of the transaction. This had not yet been received. "I think this House will agree," said Mr. Bennett, "that no Canadian Government would seriously consider a proposal to provide credit facilities for a syndicate of vendors and at the same time to guarantee that the alleged purchaser, the Soviet Government, would discharge its obligations to the vendors."

The subject came up again on Feb. 3 when the House was in Committee of Supply and was discussing the vote for the Commercial Intelligence Service of the Department of Trade and Commerce. Opposition Members, in the course of a two-hour Debate, criticized the Government's attitude toward trade with Russia, while Hon. H. H. Stevens, Minister of Trade and Commerce, made the emphatic declaration that "we are not going to hand out Government guarantees which a group of promoters can take and peddle to New York financiers and incidentally make a tidy profit for themselves." Hon. James Malcolm, former Minister of Trade and Commerce, created a mild sensation when he endorsed the Government's refusal to finance the barter deal. At the same time he was equally emphatic in opposing the Government's general attitude toward trade with Russia.

In response to an Opposition Motion for the tabling of all correspondence relating to the proposal, a partial return of correspondence with G. G. Serkau was tabled on Feb. 17. This appeared to vindicate the Minister of Agriculture so far as any commitment on his part in regard to the barter proposal was concerned. It was expected that when Department of Agriculture estimates were up the matter would again receive an airing but little developed at that time. John Vallance (Lib., South Battleford) in introducing the subject (May 15), stated that from the correspondence tabled he had found that the Minister had been sympathetic toward the deal and he asked him "why the deal did not go through after encouragement had been given to the live stock industry in Canada." Mr. Weir's reply was very brief. He declared that he was strongly in favour of trade between Canada and other countries in any kind of agricultural products, "so far as our legislation will permit." He stated that on all occasions when Mr. Serkau had come to him for information he had been given it. "That", he said, "was the limit of my activity in the matter." Mr. Vallance endeavoured to draw out the Minister further, declaring that "there is still in the back of the minds of the farmers the feeling that they did not get a square deal, that the matter was not given the consideration that it ought to have had," but Mr. Weir declined to make any further statement. H. A. Mullins (Con., Marquette) closed the discussion, expressing surprise that the matter had been brought up again, declaring that the Opposition was only playing politics in doing so and stating that it was the most foolish deal he had ever heard of.

Beauharnois Power. The Beauharnois power project was brought up in the House on May 2, when, on the Motion to go into Committee of Ways and Means, E. J. Garland (U.F.A., Bow River) discussed the situation with respect to the reorganization of the project, "the effect of which unquestionably will be to turn over to the Holt interests this tremendously valuable project." He advocated (1) that the remainder of the development should now be declared to be a work for the general interest of Canada; (2) that the Government should create a Federal hydro commission to supervise and complete the development and any other that might be required as a result of the creation of the St. Lawrence Waterway and (3) that when the time came the whole project should fit in as a proper part of the waterway system. He was supported in this stand by Robert Gardiner (Prog., Acadia) and J. S. Woodsworth (Lab., Winnipeg N.-C.). Several other Members participated in the Debate. The Prime Minister (Mr. Bennett) complained that no notice had been given that the matter would be brought up but promised that, if it was thought desirable, a statement would be made later.

Mr. Bennett dealt with the matter on May 17. He remarked at the outset that in suggesting that the Government should expropriate the power enterprise at Beauharnois, Members were overlooking two essential facts, (1) that the Province of Quebec, not the Dominion, leased the power and (2) that contracts had been made between Beauharnois and two customers, the Hydro-Electric Power Commission of Ontario and the Montreal Light, Heat and Power Co. The Dominion Government, he explained, had taken the only appropriate action they could take under their constitutional limitations. They had declared, he said, certain works to be for the benefit of Canada, they had rescinded and repealed an Order-in-Council under which certain claims were made and they had passed a Statute by which no further alienations, so far as the Government were concerned, of their rights in the St. Lawrence River to give additional water to the enterprise, would be valid "without the consent, not of the Executive, but of this Parliament." The Government had given such assistance as was necessary to secure from the banks the funds necessary to get the enterprise started. They had furnished every facility possible to enable those who had invested their money in the project to get together and determine what action they should take, certain assistance having been given in the way of extending the time necessary to carry out their undertakings and sell securities. A reorganization had been arranged; the plan had carried and "the matter is ended" so far as the Government were concerned. (For detailed history of this utility see previous issues of *The Canadian Annual Review*—1930-31 and 1932; also see Section: Banking and Finance, this volume.)

The Conferring of Titles. The question of conferring titles on Canadians was revived when, on May 17, in answer to a question by J. A. Mercier (Lib., Laurier-Outremont) the Prime Minister (Mr. Bennett) made the statement that it was "the considered view of His Majesty's Government in Canada that the Motion, with respect to honours, adopted on the 22nd day of May, 1919, by a majority vote of the Members of the Commons House only of the 13th Parliament (which was dissolved on the 4th day of October, 1921) is not binding upon His Majesty or His Majesty's Government in Canada or the 17th Parliament of Canada." On the Orders of the Day on May 22, Rt. Hon. Mackenzie King, Leader of the Opposition, asked the Prime Minister whether this statement, concerning constitutional practice, was intended by the Government to apply to Resolutions of the House of Commons generally or only to the Resolution relating to titles. Mr. Bennett promised an answer at the next sitting and on May 23 stated that "Section 17 of the British North America Act, 1867, provides that there shall be one Parliament of Canada, consisting of the Queen (King), an upper house, styled the Senate, and the House of Commons, and it is the considered view of His Majesty's Government in Canada that a Resolution passed by one House of Parliament is legally effective only as an expression of opinion of those who support such Resolution in that House, and this is particularly true with respect to the prerogatives of the

Crown. The Sovereign can only be deprived of a prerogative right by statute of Parliament, in very special form, which the Government does not propose to introduce." Again speaking on the Orders of the Day on May 24, Mr. Mackenzie King sought an assurance from the Prime Minister that the House would be given "an opportunity to discuss the question of titles before the Government advises His Majesty in any way with respect to the exercise of the royal prerogative in regard to the conferring of titles in Canada." To this Mr. Bennett replied: "I regret that I am unable to give any such assurance with respect to any matter of that character." Armand LaVergne (Con., Montmagny) contributed the view that the Nickle Resolution of 1919 would become void because of the new position of Canada under the Statute of Westminster. There followed a brief interchange between the Opposition Leader and the Prime Minister as to the prerogative of the King to confer titles apart from the advice of his Ministry and this ended the discussion.

Hospital Sweepstakes and Lotteries. Passed by the Senate, a Bill to legalize sweepstakes in Canada was given the six-months' hoist in the House of Commons. The measure, introduced as "An Act with respect to Charity Sweepstakes", was sponsored in the upper chamber by Hon. A. D. McRae. In moving second reading on Mar. 8, 1933, he expressed the opinion that the majority of the people of Canada were in favour of legalized sweepstakes. This was in reference to the plebiscite held in Vancouver at the municipal election on Dec. 14, 1932, when 73 per cent. of the total votes cast were in favour of government-controlled sweepstakes; to the vote of the British Columbia Hospital Association, four to one, in favour of sweepstakes; and to the Resolution of the Union of Municipalities of British Columbia asking for a Provincial plebiscite on the subject. The measure, he explained, was practically the same as that introduced at the Session of 1931; the object was to authorize the conduct of a sweepstake in any Province that desired it, by and under the direction of the Attorney-General of such Province. Senator McRae quoted figures showing the extent of operations of the Irish Hospital Sweepstakes. He declared that it was a bad thing to have a law that was openly broken by a majority of the citizens and said that, after all, the moral question involved was not greatly different from that in the liquor problem. "We have not hesitated to take profits from the liquor business in this country", he said.

The Senate devoted practically its entire sitting on Mar. 13 to a Debate on the Bill. It was condemned by Hon. James Murdock, who described it as "just a small outcropping of the disease which, in my judgment, is largely responsible for the troubles of the world during the past few years." Hon. J. P. B. Casgrain and Hon. J. H. Rainville followed in support of the measure, after which Hon. A. B. Gillis moved the six-months' hoist. Further speeches in support were delivered by Hon. G. Lynch-Staunton and Hon. G. H. Barnard. A division followed on the Gillis Amendment, which was negatived on a vote of 29 to 20. The Debate was continued on Mar. 14, with Hon. J. J. Hughes and Hon. C. P. Beaubien attacking and Hon. L. McMeans supporting the Bill. Second reading was then carried on a vote of 37 to 19 and the Bill was referred to the Standing Committee on Miscellaneous Private Bills. In Committee of the Whole on Apr. 4 the title of the Bill was changed to "An Act with respect to Hospital Sweepstakes" and other Amendments were adopted. The Motion for third reading was carried on Apr. 5 on a vote of 31 to 24.

In the House of Commons the Bill was sponsored by C. G. Power (Lib., Quebec South). In moving second reading on Apr. 7, Mr. Power spoke of the propensity of people to take chances; and declared that in his opinion, it would help to lift the depression under which so many people were labouring. A. U. G. Bury (Con., East Edmonton) denounced the measure, saying: "The Bill proposes to take a practice which has been declared illegal, which stands now as an illegality in our criminal code, and, because the object is worthy, clothe it in a garment of white and send it out as a good and pure thing." A. M. Carmichael (Prog., Kindersley) also spoke against the Bill,

pointing out that "this great moral question is to be decided by one individual in each Province," (the Attorney-General). He moved the six-months' hoist. G. D. Stanley (Con., East Calgary), J. L. Brown (Lib., Lisgar), Hon. W. R. Motherwell (Lib., Melville), Hon. Ian Mackenzie (Lib., Vancouver Centre) and J. S. Woodsworth (Lab., Winnipeg N.-C.) joined on Apr. 18 in condemning the Bill, while sole support came from A. L. Beaubien (Prog., Provencher). The Carmichael Amendment was then carried on a vote of 76 to 15; it was noteworthy that the leaders of the Conservative, Liberal, Progressive and Labour Parties all voted for the Amendment.

Another aspect of the subject came under consideration when a Bill was introduced in the House of Commons on Mar. 14 by P. F. Casgrain (Lib., Charlevoix-Saguenay) amending the Criminal Code so that anyone wanting to institute proceedings against the winner of a lottery should first have to obtain the consent of the Attorney-General of the Province in which the proceedings were to be taken. Second reading was moved by Mr. Casgrain on Mar. 21. J. L. Brown (Lib., Lisgar) submitted an Amendment providing that the winnings of the lottery should be forfeited to the Crown on the ground that it was "more fitting that instead of the winner of a prize which is obtained in an entirely illegal manner being protected in the holding of his winnings, the Crown should come into possession of the prize." The Speaker, however, ruled that no Amendment could be offered to the Motion for second reading. The Prime Minister, speaking at this time, supported the view that returns from a lottery should be forfeited to the Crown. The Motion for second reading was negatived, on division, on Mar. 28, without further debate.

Private Members' Resolutions. Some sixteen Resolutions introduced by private Members were debated during the Session. Of these the most outstanding was that of J. S. Woodsworth (Lab., Winnipeg N.-C.), advocating the establishment of a co-operative commonwealth (see page 78). The others covered a wide variety of topics and were variously disposed of.

A Debate on bilingual currency was the result of a Motion by Oscar L. Boulanger (Lib., Bellechasse) on Jan. 30, 1933, that all state currency, notes and bonds should be in both official languages. Samuel Gobeil (Con., Compton), having moved adjournment of the Debate, the House divided on the Motion, which was agreed to on a vote of 69 to 41. The Debate was resumed on Feb. 27, when speeches in support of the Resolution were delivered by seven French-Canadian Members. F. W. Turnbull (Con., Regina) followed, criticizing the Motion on the ground that it was calculated to create racial friction. The Debate was not concluded.

Debate was brief on a Resolution introduced on Feb. 6, 1933, by Alfred Speakman (U.F.A., Red Deer), asking that, in view of the debt situation, "the Government should give serious and immediate attention to the question of debts and interest rates within this country, and the possibility of their reduction, either by way of direct action, or by the submission of the entire problem to a special committee of this House." The Resolution was favourably considered but was amended so that the reference should be to the Select Standing Committee on Banking and Commerce. It was then adopted without division.

After Cameron R. McIntosh (Lib., N. Battleford) had moved on Feb. 6, 1933, for the appointment of a special committee to consider the advisability of adopting a Canadian flag and had made some observations on the need of such a flag, he withdrew his Resolution until a more auspicious time.

At the same sitting Armand LaVergne (Con., Montmagny) moved "that in view of the Statute of Westminster, the traditions of the Canadian people, and the constitution of the country, this House is of the opinion that the name of Canada should be changed from 'the Dominion of Canada' to that of 'Kingdom of Canada'." Again there was but little discussion. J. H. Stitt (Con., Selkirk), who opposed the idea, moved the adjournment and the Resolution did not come up again.

A Resolution moved on Feb. 6, 1933, by A. E. Munn (Lib., N. Vancouver) proposed that legislation should be introduced whereby bankers, etc., in making payment of interest coupons on bearer bonds should deduct the Federal or Provincial income tax therefrom. The Minister of Finance, Hon. E. N. Rhodes, accepted the principle of the Resolution and the Motion was agreed to.

Also on Feb. 6, J. A. Barrette (Con., Berthier-Maskinonge) advocated a Resolution which, after setting forth a numerical discrepancy in the Parliamentary representation of Quebec as compared with that of Ontario, provided that "in order to promote harmony among the Canadian people, the Parliament of Canada do grant to the Provinces a just and equitable representation based on the unit of representation of the Province of Ontario." Hon. H. H. Stevens, Minister of Trade and Commerce, took issue with Mr. Barrette and after two other Members had expressed their views Hon. Charles Stewart (Lib., Edmonton) moved the adjournment. The Resolution did not come up again.

Another Resolution moved on Feb. 6 was that of Robert McKenzie (Lib., Assiniboia) who asked for an inquiry under the Research Council Act "into the causes underlying the wide spread between the prices of raw products and the prices of goods manufactured from such products." He received support from a number of western Liberals and Hon. H. H. Stevens promised sympathetic consideration for the subject. The Debate was not resumed.

Almost the entire sitting on Feb. 8, 1933, was taken up with consideration of a Resolution introduced by F. H. Pickel (Con., Brome-Missisquoi) to the effect that "the Agricultural Committee would give much better satisfaction if it were divided into two sections; (a) agricultural section; (b) wheat section." Mr. Pickel's point was that the Committee was dominated by the grain growers of the West and that it was impossible to discuss properly matters connected with Eastern agriculture. There was considerable diversity of opinion on the Resolution and in the end Hon. Robert Weir, Minister of Agriculture, expressed the view that there was ample room and opportunity within the Committee as at present constituted, to discuss all problems. He asked that the matter be left as it was and be brought up before the Committee. The Debate was not resumed.

A Resolution calling for legislation to protect the consumers of fruit from poisonous substances used in spraying was introduced on Feb. 13, 1933, by Hermas Deslauriers (Lib., St. Mary's). It was pointed out both by the Minister of Agriculture and the Minister of National Health that legislation already existed for this purpose and the Resolution was withdrawn.

A Resolution was moved on Feb. 13 by E. E. Perley (Con., Qu'Appelle) urging an adjustment or reduction in freight rates on grain and grain products moving between points in the four Western Provinces. Hon. R. J. Manion, Minister of Railways and Canals, stated that the matter had been discussed at the Dominion-Provincial Conference, with the railway representatives present, and an agreement had been reached which would be satisfactory to the Western Provinces. The Debate was not resumed.

At the same sitting of the House, William Irvine (U.F.A., Wetaskiwin) moved that "the Banking and Commerce Committee should be instructed to study the Bank Act preparatory to its decennial revision and that the Committee be instructed to consider the Bank Act in relation to the monetary requirements of the Dominion and in particular to report to this House on (a) the advisability of final departure from the gold basis; (b) the issuing of Dominion notes sufficient to depreciate our dollar to the level of the pound sterling; and (c) on ways and means of reducing the internal debt so greatly increased by deflation." On a point of order raised by the Prime Minister, clause (b) was deleted, as having already been the subject of discussion. Several speakers spoke in support of the Resolution but the House adjourned without coming to a decision.

A Resolution, which was the subject of a Debate on Rules of the House and which occupied almost the entire sitting of the House on Feb. 15, 1933,

was that of Dr. Peter McGibbon (Con., Muskoka-Ontario), seeking the appointment of a select committee to consider the advisability of referring certain agreed Estimates to a special committee prior to their consideration in Committee of Supply. Dr. McGibbon claimed that this procedure would facilitate the work of the Session and save time and money. The Resolution produced a divergence of opinion. The House adjourned without the question having been put and the subject did not come up again.

An important Debate arose on Feb. 20, 1933, over a Resolution introduced by William Duff (Lib., Antigonish-Guysborough) calling upon the Government to reopen negotiations with the United States with a view to bringing about a satisfactory reciprocal trade arrangement whereby the natural products of Canada should have free entry into the United States in exchange for the free admission of certain goods from the United States into Canada. The Debate brought the important statement from the Prime Minister that "in my judgment all we can do is to follow the course that has been followed by successive Governments and indicate clearly our willingness to negotiate on terms that are fair and reasonable, to quote the words that have been used by both Liberal and Conservative prime ministers and ministers of finance." Quite a number of Members participated in this Debate, for the most part favouring reciprocity. The House adjourned before the Debate had terminated and the Resolution did not again figure in the proceedings of the Session.

On Feb. 22, 1933, D. M. Kennedy (U.F.A., Peace River) introduced a Resolution calling for a direct railway outlet for the Peace River country to the Pacific Coast. He reviewed the situation in detail, explained the need of such an outlet and emphasized the desirability of railway construction to relieve unemployment. Several Members supported the Resolution but Hon. R. J. Manion, Minister of Railways and Canals, though expressing sympathy with the project, said that, owing to the financial situation of the Dominion and the railways, the matter would have to stand in abeyance. Mr. Kennedy, however, pushed his Motion and the House divided, 133 to 39 against, Party lines being broken in the vote.

Hon. W. R. Motherwell (Lib., Melville) introduced a Resolution on unemployment and farm relief on Feb. 13, 1933. (See page 73).

On Mar. 22, E. J. Young (Lib., Weyburn) moved "for a copy of all Orders-in-Council issued since Aug. 20, 1932, pertaining to valuations for duty on goods entering Canada from Great Britain or any other country; also a copy of all instructions, including confidential letters to Customs officers, effecting the valuations for duty or classification for duty purposes, issued by the Department of National Revenue since Aug. 20, 1932." Hon. E. B. Ryckman, Minister of National Revenue, stated that it had not been the practice of the Government or its predecessor to bring down confidential information and submitted that the Motion should be redrafted. Mr. Young argued that the information desired related to matters on which public action had been taken and was therefore no longer confidential. He pressed his Motion and the House divided, voting 100 to 69 against its adoption.

Two Inquiries: Debt and Interest Rates; Milk and its Products

The Select Standing Committee on Banking and Commerce, of which R. C. Matthews (Con., Toronto E.-C.) was Chairman, and to which was referred the Resolution of Alfred Speakman (U.F.A., Red Deer), calling on the Government "to give serious and immediate attention to the question of debts and interest rates within this country and the possibility of their reduction," presented its Final Report on May 18. Evidence had been taken, particularly from R. H. Coats, the Dominion Statistician, and the Committee was

able to arrive at certain conclusions, though it was unable to present a complete review of the subjects contained in the reference:

I. Public Debt—Dominion of Canada: the total unmatured Funded Debt on Mar. 31, 1933, was \$2,715,910,607; Sinking Funds, \$66,001,724; Net Funded Debt, \$2,649,908,883; and interest payable, \$127,239,499, or an average rate of 4.68 per cent. The evidence indicated a downward tendency in rates in the last few years. Recommendations submitted were: (1) that conversion of outstanding obligations from a higher to a lower rate of interest should be made when the state of the money market warranted; (2) that a general amortization or debt-retirement plan should be put into effect as soon as finances permitted; (3) that future long-term bond issues should either have (a) sinking fund provisions or (b) maturity dates arranged to conform with the suggested plan of annual debt retirement; (4) that long-term issues should have, when possible, callable provisions so that in times of low interest rates advantage might be taken to re-finance.

II. Municipal Debt: the Gross Debenture Debt of municipalities, numbering over 4,200, as at Dec. 31, 1931, was \$1,288,808,157, to which was added other liabilities of \$295,223,318. Interest payments averaged 4.9 per cent. or \$63,151,599.

III. Private Debt: while figures for the Public Debt were obtainable with approximate completeness, those for private indebtedness could only partially cover the field. Out of a total of 654,297 owned and partly-owned farms in the Dominion, 244,201 were mortgaged to the extent of \$677,564,100. Urban mortgages were estimated at about \$765,000,000.

IV. Bank Interest: rates of bank interest and discount were not available by Provinces but average rates for the Dominion as a whole were known. Average interest rates on loans, including call loans, showed declines from 1930 to 1932, *viz.* maximum interest rates, 1930, 6.43 per cent.; 1931, 6.39 per cent.; 1932, 6.18 per cent.; minimum interest rates, 1930, 6.29 per cent., 1931, 6.05 per cent., 1932, 6.03 per cent.

V. Mortgage Rates of Interest: average rates were secured from 57 companies which showed current rates ranging from 6 per cent. to 8 per cent. in all Provinces except Quebec, where slightly lower rates were reported. In general, it might be concluded from figures supplied that mortgage rates had declined throughout the Dominion in recent years.

The Committee recommended that the Dominion Bureau of Statistics should be authorized to extend the scope of its statistical data to cover certain additional matters relating to mortgages. It gave certain replies to questions respecting the jurisdiction of Parliament to legislate on the subject of interest and loans received from Dominion and Provincial authorities. It concluded with the assertion that in so far as public debts were concerned "we believe that the most desirable course to be pursued lies in the direction of means that may be taken to cheapen money, and other measures, including international co-operation, designed to lay the foundation for a rise in the general price level and a restoration of world confidence and trade. Within the country, the balancing of governmental budgets and the conversion of maturing debts at lower interest rates will be a constructive influence."

Milk Inquiry. As a result of pressure by several Members of the House, instructions were issued on Feb. 23, 1933, to the Select Standing Committee on Agriculture and Colonization of which Mark C. Senn (Con., Haldimand) was Chairman, "to ascertain the facts connected with the production, collection, manufacture, distribution and marketing of milk and milk products throughout the Dominion of Canada." After a thorough probe extending over a considerable period, during which evidence was taken from officials of numerous dairy concerns in Montreal, Ottawa, Toronto and other Canadian cities, the Committee presented its Final Report on May 12. Its principal recommendation was that there should be instituted a nation-wide—and even international—exploration of production and distribution methods and possibilities. It also urged contracts between producer and distributor that would be enforceable at law; recommended tribunals to adjust differ-

ences and fix returns of distributor and producer; asked uniformity in regulations to insure pure milk supplies and advised the wisdom of departing from the percentage system of payment on the surplus basis through which the producer was placed entirely in the hands of the distributor. Separate contracts were recommended for milk bought for other than fluid distribution. The distributor came in for considerable censure. He was charged with maintaining high earnings, which, in the general trend, should have been downward; with paying excessive salaries to executives; with over-capitalization; with capitalization of "good-will"; with stock watering by share-splitting and with setting up unjustifiable sinking funds for depreciation and bad debts. A salient feature of the Report was that the cost of production was not reflected as it should be in the return to the producer who "is not receiving an adequate return for his labour and investment." The Committee took cognizance of the fact that fluid milk sales represented only 40 per cent. of total milk sales and it was mainly from that consideration that a much broader and more complete investigation was urged.

The Senate during the Session of 1932-33

Four vacancies existed in the Senate of Canada at July 1, 1932, and the number was increased to six by the deaths of Hon. W. B. Willoughby (Con.) on Aug. 1 and of Hon. N. A. Belcourt (Lib.) on Aug. 8. On the eve of the opening of Parliament two of these vacancies were filled by the appointment of Joseph H. Rainville (Con.), who had been chairman of the Montreal Harbour Commission, and of A. J. Brown, K.C. (Con.), Montreal. No further appointments were made during the year though death continued to take its toll of the membership. The subsequently deceased Senators were Hon. Andrew Haydon (Lib.), Nov. 10; Hon. James H. Ross (Con.), Dec. 14; Hon. Irving R. Todd, Dec. 27; Hon. John Waterhouse Daniel, M.D. (Con.), Jan. 11, 1933; Hon. Jacques Bureau (Lib.), Jan. 23; Hon. P. J. Paradis (Lib.), June 20. There were thus ten vacancies at June 30, 1933.

The Senate debated the Speech from the Throne at sittings on Oct. 12, 13, 14, 20 and 21. The Address-in-Reply was moved by Hon. Pascal Poirier (Con.), the oldest, and seconded by Hon. J. A. Macdonald (Con.), the youngest Member of the House. Hon. Raoul Dandurand, Liberal Leader, who followed, devoted his attention almost entirely to the Empire Trade Agreements. He traced the history of Imperial Preference and, while admitting some advantages in the Agreements, found some features "unprecedented and pernicious." He referred particularly to the Articles dealing with the Tariff Board and its functions, claiming that "they are fraught with considerable danger, for they establish an intermeddling with our fiscal policy." He found "in the application of these Agreements, no equality of treatment in London and in Ottawa" and questioned the effect of the increase in duties "when we meet the outside world in the Economic Conference shortly to be held in London." Rt. Hon. Arthur Meighen, Government Leader, replied at some length. He felt that something worth while had been done at the Imperial Economic Conference. Answering the criticism that a system of bargaining had been initiated and that such a system was dangerous, because it was likely to lead to friction, he did not think that this fear of Empire disintegration had any worth-while foundation. He referred to the conversations of 1922 and 1923 and declared that he could not see the distinction between them and negotiations. He then dealt with the preference on wheat and other farm products, showing their advantages, and defended the arrangement regarding the Tariff Board, which he said marked an advance. Mr. Meighen devoted the rest of his speech to the railway problem. He traced the history of the Canadian National Railways and was severe in his condemnation of the policy which prevailed under the new management appointed in 1922. "Now" he declared, "we have the result of that policy in the lurid pages of the Report of the Transportation Commission." He spoke of "blazing instances of extravagance, an extravagance wholly at the expense of

the taxpayers, an extravagance which is the principal chain that ties the feet of Canada to-day," and stated that an attempt would be made to put into effect all the recommendations of the Duff Commission that were practicable.

Other Senators who took part in the Debate were Hon. J. S. McLennan (Con.), who devoted his attention to the St. Lawrence Waterway; Hon. E. Michener (Con.), who took unemployment as the subject of his remarks and offered a number of suggestions for providing work; Hon. John Lewis (Lib.), who referred to the principles which should govern Canada's relations with the rest of the Empire, dwelling on the policy of reduced duties which had been followed by Liberal administrations; Hon. Rodolphe Lemieux (Lib.), who declared that unemployment was the paramount issue of the day and spoke of the desirability of tariff reductions; Hon. C. E. Tanner (Con.), who chided Mr. Lemieux and the Liberals for preaching free trade in opposition and practising protection when in power; Hon. J. J. Hughes (Lib.), who criticized the high tariff policy of the Government; Hon. A. B. Gillis (Con.), who dealt with the railway problem; Hon. G. Lacasse (Lib.), and Hon. J. P. B. Casgrain (Lib.), who discussed at great length the railway situation. The Address was then adopted without division.

On Nov. 3, 1932, Hon. J. D. Taylor (Lib.), called attention to the administration of the Ticket of Leave Act, with special reference to the case of one Bagley. He urged that steps be taken to put an end to the prevailing jail delivery through abuse of the Act; to cause the law to prevail within the Department of Justice as well as within the walls of the penitentiaries; and to put the Ticket of Leave Act and the Penitentiary Act under ministerial control. Rt. Hon. Arthur Meighen replied, defending the system and asserting that "in proportion to the number released on parole, the number of those who show that they merited release is very large indeed."

A Resolution urging that "there should be no curtailment or interruption in the continuity of the work of the Section of the League of Nations dealing with social and humanitarian questions and particularly with that Section which relates to the opium traffic, the traffic in women and children, and child welfare," was moved on Nov. 17 by Hon. Cairine Wilson (Lib.). In support she gave an outline of the work of the League along these lines since its Health Organization was formed in 1920. Hon. J. H. King (Lib.), presented further information on the subject on Nov. 23 but Hon. W. A. Griesbach (Con.), questioned whether the League itself should not decide what were the important questions to be dealt with. Hon. Raoul Dandurand and Hon. J. A. Calder (Con.), spoke briefly in support of the Resolution and on Nov. 24, after Rt. Hon. Arthur Meighen had expressed the opinion that there was no objection on the part of the Government to the passage of the Resolution, it was adopted.

Hon. Pascal Poirier on Feb. 6, 1933, moved a Resolution advocating six hours as constituting a full day's work and urging that more effective encouragement should be given to the return-to-the-land movement. Several Senators expressed their views on the subject. It was pointed out, however, that the matter did not come within the jurisdiction of Parliament and Hon. G. D. Robertson (Con.) stated that, because Canada had so far failed to adopt legislation for an eight-hour day, it was out of the question to expect that a proposal for a six-hour day would be acted upon. The Motion was negatived.

On Feb. 7, Hon. James H. King (Lib.), moved a Resolution calling for a conference of the Provincial Governments, the executives of the railways and representatives of the autobus, motor truck and aeroplane services with a view to formulating regulations which would permit of their normal and proper development and prevent unfair and unwarranted competition with the railway systems. Several Senators spoke to the Motion but on Feb. 16 Mr. Meighen stated that he could not take the responsibility of supporting it. He pointed out that such a conference would be of immense size and that it was not the practice to include private companies in a conference

with governments. He promised, if the Resolution were withdrawn, to give immediate consideration to the appointment of a committee to study the problem. Dr. King thereupon withdrew his Motion.

On the same day the Senate debated a Motion of Hon. James Murdock that "no officer or employee of the Canadian National Railways or of the Government of Canada should be paid after the expiration of the present fiscal year a pension or retirement allowance in excess of \$5,000 per year." Hon. W. A. Griesbach pointed out that pensions to Government employees were paid under contract and Parliament had no right to interfere with this contract. Several other Senators spoke in similar vein and the Resolution was negatived.

A Debate on prison discipline was started by Hon. John Lewis (Lib.), when he moved on Feb. 14, based on the Report of D. M. Ormond, Superintendent of Penitentiaries, on the outbreak in Portsmouth Penitentiary, that "full publicity should be given to prison discipline and that the aim of discipline should be reform as well as punishment." He presented his views as to physical exercise, solitary confinement, punishment for infractions of discipline, qualifications of guards and publicity. Rt. Hon. Arthur Meighen, in reply, criticized Senator Lewis for "making himself the mouthpiece for spreading throughout Canada complaints against our system" and proceeded to show that penitentiaries could not be run on the principles he had in mind. On Feb. 16, Hon. C. E. Tanner (Con.), moved in amendment "that while administration of penitentiaries should be carried on with due regard to humanitarian policies, it is in the public interest that there be recognition of the fact that persons committed to penitentiaries are properly thus placed under restraint for the purpose of protection of society from such offenders against the law of the country and as a warning to others." The Amendment was agreed to.

On the same day Hon. J. J. Hughes (Lib.), called "the attention of the Government to some of the things that affect us as a member of the British Commonwealth of Nations and as a member of the world of nations," and asked the Government whether they still believed the policy of protection to be economically sound and politically wise. The major portion of his speech was devoted to an effort to show that the real underlying causes of the world depression were moral and spiritual rather than material.

Hon. L. A. Wilson (Lib.), on Mar. 7, 1933, directed an inquiry to the Government as to whether it was their intention to amend the Income Tax Act so as to obtain a closer supervision of income from bearer bonds and securities held in trust. He spoke forcefully in support of such action and was assured by Mr. Meighen that legislation was being brought down.

A considerable discussion arose over an inquiry made on Mar. 8 by Hon. W. E. Foster (Lib.), as to whether the Leader of the Government would consider the appointment of a select committee of the Senate to consider and report upon such action as would materially reduce the abnormal cost of Federal elections. Mr. Foster went very fully into an analysis of the various expenses incurred in conducting an election campaign and the sources of campaign funds. Hon. Raoul Dandurand (Lib.), speaking on Mar. 14 in support of such an inquiry, advocated compulsory voting as a means of eliminating a large proportion of the expenditure entailed. On Mar. 15, Hon. A. D. McRae, who had been organizer for the Conservative Party in the General Election of 1930, gave his views on the subject and interesting contributions to the Debate were made by Hon. W. A. Buchanan (Lib.), Hon. C. C. Ballantyne (Con.) and Rt. Hon. Arthur Meighen. Mr. Meighen answered in the affirmative the question put in the inquiry. Among unusual suggestions were those of Hon. C. W. Robinson (Lib.), to do away with polling booths and take a house to house vote and of Hon. G. Lynch-Staunton (Con.), to dispense with voters' lists.

The cattle industry of Canada came in for attention when on Mar. 29 Hon. D. E. Riley (Lib.), moved that the Standing Committee on Agriculture and Forestry be authorized to consider and inquire into the conditions of

export trade in cattle and the cattle industry generally. He made the claim that agriculture could only be re-established and made prosperous by means of a national live stock policy and he advocated a marketing board with wide statutory powers. The Motion was agreed to after several Senators had spoken strongly in its support. (On May 3, Hon. J. J. Donnelly, Chairman of the Standing Committee on Agriculture and Forestry, stated that several meetings of the Committee had been held; a number of witnesses, including Hon. Robert Weir, Minister of Agriculture, had been heard and much valuable information had been received. He intimated that the Inquiry would be resumed at the next Session of Parliament.)

On a question of privilege on Apr. 6, Hon. Sidney Little (Lib.) directed attention to a Canadian Press despatch appearing in *The Gazette*, Montreal, of that date with respect to the probable probe into the Abitibi purchase by the Ontario Government, with which the name of the Rt. Hon. Arthur Meighen, Leader of the House, was connected, as being a member of the Hydro-Electric Power Commission of Ontario. He felt that Mr. Meighen should be allowed to give an explanation. The Government Leader welcomed the opportunity, reviewed the circumstances surrounding the Abitibi development and the purchase of its bonds by the Ontario Government and declared: "Not only was I not a party, but I had no knowledge whatever, beyond what was given to the public through the Press, of the progress of these negotiations." He stated that he was "more than ready to submit my conduct to any tribunal that may be chosen." (See Section: "The Province of Ontario.")

A Debate on Hudson Bay Terminals was opened on May 4 when Hon. J. P. B. Casgrain (Lib.), called the attention of the Senate to the cost of development work and other germane expenditure at Fort Churchill and Port Nelson and inquired what economies the Government proposed to make in connection with these ports. In the course of a lengthy speech Senator Casgrain was severely critical of the Hudson Bay route and urged that no further expenditures should be made upon it. Hon. J. H. Rainville (Con.), former Chairman of the Montreal Harbour Commission, did not blame the wheat growers for seeking a cheap outlet to the sea but felt that the St. Lawrence route should have been first made safer and therefore cheaper. Speeches strongly supporting the Hudson Bay route were delivered on May 9 by Hon. A. B. Gillis (Con.) and Hon. F. L. Schaffner (Con.), while Hon. C. C. Ballantyne (Con.) and Hon. J. S. McLennan (Con.), disclaimed any hostility on the part of the East towards the route and expressed surprise that Western shippers had not done more to encourage shipments *via* Hudson Bay. The discussion was concluded on May 10, Hon. Patrick Burns (Con.) and Hon. L. McMeans (Con.), contributing the principal speeches.

Close of the Fourth Session of the Seventeenth Parliament

His Excellency the Governor-General closed the Session on May 27. The Speech from the Throne expressed gratification that the benefits of the Imperial Trade Agreements were already being reflected in a profitable and steadily increasing volume of Empire trade and that the measures taken by the Government to maintain the integrity of national finance were showing results, the credit of Canada throughout the world having been strengthened. It declared that notwithstanding the added difficulty occasioned by the increased population residing in urban communi-

ties, a fair and equitable redistribution of the electoral divisions of the country had been accomplished. The charters of Canadian banks had been extended for one year so that, before undertaking the decennial revision of the Bank Act, Parliament might be informed of the conclusions of the World Monetary and Economic Conference and of the findings of the Royal Commission on Banking and Monetary Problems. The railway legislation, embodying the essential recommendations of the Royal Commission on Railways and Transportation, was based on the principle of maintaining the integrity

of the two transcontinental railway systems and aimed to secure efficient and economic service. The belief was expressed that the agreement with France would promote trade between and confer mutual benefits upon both countries. It was felt that the Amendments to the Pensions Act would enable the country more fairly and equitably and with less cumbersome and expensive machinery to discharge its obligations to those who served in the Great War. After enumerating other important measures passed during the Session, the Speech concluded with these words: "The courage with which the Canadian people have endured the burdens imposed upon them in these troubled times is witness to their great faith in the future of their country. It is, however, realized that co-operation among the powers of the world is essential to recovery from the unprecedented conditions which have for so long prevailed in all countries."

Legislation of the Session. The more important of the Bills passed during the 1932-33 Session already have been treated in the foregoing pages under the Sub-Section, "Debates." Briefly, these were: the various Acts respecting the Trade Agreements with the United Kingdom and other Empire countries; an Amendment to the Migratory Birds Convention Act; an Amendment to the Salary Deduction Act, 1932; an Act respecting Relief Measures; an Amendment to the Royal Canadian Mounted Police Act; an Amendment to the Penitentiary Act; an Amendment to the Bank Act; an Amendment to the Soldier Settlement Act; an Act respecting the Canadian National Railways and providing for co-operation with the Canadian Pacific Railway system and for other purposes; an Amendment to the Indian Act; an Amendment to the Canadian Radio Broadcasting Act, 1932; an Amendment to the Tariff Board Act; an Amendment to the Pension Act; an Amendment to the Canada Shipping Act; and an Act to readjust Representation in the House of Commons. In addition there were the Acts to provide for certain sums of money for the Public Service for the fiscal years ending Mar. 31, 1933, and Mar. 31, 1934. Other Public Acts of the Session with short summaries are listed below, as well as those Bills that were negatived and those that were withdrawn, or not proceeded with:

Amendments to the Excise Act provided a compensating reduction in the rate of Excise duties on domestic spirits and cigarettes, by reason of the reduction in the Customs duties under the new British Preferential Tariff; and changed the law with respect to the manufacture and sale of spirits.

Amendments to the Customs Act (1) exempted from that Section of the Act which provided for valuation of imports which were prejudicially or injuriously affecting Canadian producers' goods which were entitled to entry under the British Preferential or any lower tariff; and defined "value for duty" in the case of goods subject to specific duty and (2) permitted lightening and unloading of ships on holidays and Sundays under certain conditions.

Amendments to the Customs Tariff covered the changes in the Tariff provided for in the Canada-United Kingdom Trade Agreement; and made the Budget changes of 1933.

An Amendment to the Income War Tax Act (Special Tax) extended for a year the Act of 1932 providing that members of the judiciary and commissioned officers of the Military, Naval and Air Forces and of the Royal Canadian Mounted Police were liable to pay a special Income tax of 10 per cent. *per annum* on their salaries. Other Amendments to the Income War Tax Act made Ministers and other employees of the Government outside Canada liable for Income tax and made sure that incomes from personal corporations should be fully taxed in Canada; and provided for the Budget changes.

An Amendment to the Exchequer Court Act (Exclusive Jurisdiction) conferred jurisdiction upon the Exchequer Court in the case of visiting Forces of His Majesty from other commonwealths of the British Dominions. An

Act to make provision with respect to Forces of His Majesty from other parts of the British Commonwealth or from a colony when visiting the Dominion of Canada, etc., arranged for the discipline and internal administration of visiting forces when present in Canada with the consent of the Government of Canada. (Prior to the enactment of the Statute of Westminster, visiting Forces were enabled to maintain discipline by virtue of the provisions of the Army Act, which extended to Canada. Subsequent to the coming into force of the Statute of Westminster it became necessary to base the discipline and internal administration of such forces upon Canadian legislation).

An Amendment to the Dominion Notes Act gave the Governor-in-Council power to suspend the operation of Sub-Section 3 of Section 4 of the Dominion Notes Act requiring that Dominion notes should be redeemable in gold.

An Amendment to the Criminal Code (Offensive Weapons) provided penalties for every one not having a permit, who had upon his person elsewhere than in his own dwelling-house, shop, warehouse, counting-house or premises, or who concealed upon his person or in any vehicle under his control or of which he was an occupant, a pistol, revolver or other firearm capable of being concealed upon the person; required a vendor of firearms to have a permit to sell; and limited the issue of permits to the Commissioner of the Royal Canadian Mounted Police and nominees of the Provincial Attorneys-General. Another Amendment to the Criminal Code exempted from the operation of a Section of the Code boxing contests conducted by amateurs under certain conditions; amended sections of the Code with regard to acts of immorality and drunkenness in premises where children resided; and provided for penalties where stench bombs were set off, etc. (Interest attaches to this measure because of the fact that the Senate and House of Commons were deadlocked over certain Amendments introduced by the Senate after the Bill had passed the Commons. It became necessary for each House to appoint managers for a free conference. This was held and an agreement reached).

Amendments to the Canada Grain Act provided protection to property rights of the holder of a bill of lading when grain was in a transfer house and relieved Montreal Harbour Commissioners in connection with the operation of their transfer elevator from the prohibition against discharging grain from an elevator except on delivery of a warehouse receipt; and empowered the Board of Grain Commissioners to lower charges in connection with elevation, storage, etc., of domestic grain. An Act respecting the Inspection and Grading of Hay and Straw repealed previous legislation which provided grade standards that were serviceable 25 years before when the principal demand for baled hay was for the feeding of horses in cities and established standards of quality for grades of hay to fit existing market requirements.

An Act respecting the Canadian National Railways authorized the C.N.R. to borrow on its notes a sum not exceeding \$13,058,604.63 for refunding requirements and capital expenditures for the calendar year 1933; authorized the Minister of Finance to make loans on the security of such notes to the extent of said sum and to make temporary advances not exceeding \$47,941,395.37 to meet the net income deficits occurring during the calendar year 1933. An Amendment to the Railway Act required railway companies to obtain the approval of the Board of Railway Commissioners before abandoning the operation of any line of railway.

An Act respecting a certain Trade Agreement between Canada and France. Under the terms of this Treaty, negotiated by Hon. C. H. Cahan, Secretary of State, 27 articles were admitted to Canada under the Intermediate Tariff, less 10 per cent.; 15 under the Intermediate Tariff, less in each case a specified discount exceeding 10 per cent. and 7 under the British Preferential rate. France granted Canada admission under the French Minimum Tariff to 185 articles; to 65 articles under the French Intermediate Tariff, less 10 per cent. and to a certain number under the Intermediate Tariff without any reduction.

Certain *quota* concessions were made in respect of canned salmon. The Treaty was to remain in effect for one year and after that might be terminated on three months' notice.

An Act respecting a certain Convention between Canada and France concerning the rights of nationals and commercial and shipping matters made provision for the entry of Canadian nationals into France and French nationals into Canada for business and other purposes; for the transport in each country of the goods of the other at the same rates as applied to domestic goods; for the safeguarding of rights in respect to litigation and for mutuality of shipping rights, etc.

An Act to authorize the Governor-in-Council to agree to extend by proclamation the duration of the Trade Agreement between Canada and New Zealand.

An Act respecting extra-territorial operation of Acts of the Parliament of Canada. (Pursuant to Section 3 of the Statute of Westminster).

An Amendment to the Montreal Harbour Commissioners' Act, 1894, extended the power of the Commissioners to prescribe that no vessel should enter or remain in the Harbour without their permission, etc.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa extended for one year the agreement under which the sum of \$100,000 was payable to the City annually.

An Act to facilitate compromises and arrangements between companies and their creditors.

An Amendment to the Post Office Act established a rate of 4 cents per pound instead of 1 cent or 1½ cents per pound on the advertising portion of newspapers and periodicals when the space devoted to advertisements exceeded 50 *per centum*.

An Amendment to the Special War Revenue Act embodied the changes introduced in the Budget, 1933.

An Amendment to an Act respecting Canadian and British Insurance Companies.

An Amendment to the Senate and House of Commons Act placed Members of the Senate, with respect to matters referred to in the Bill, in the same position as occupied by Members of the House of Commons.

Bills Withdrawn or Not Proceeded With. An Act to amend the Penitentiary Act (Eight-Hour Day): limited the hours of duty of all officers in penitentiaries to eight hours per day; introduced by Thomas Reid (Lib., New Westminster); and withdrawn upon Motion for second reading, Feb. 16. An Act to amend the Exchequer Court Act: had as its object, the effecting of uniformity of the law throughout Canada in regard to the recovery of any money paid to His Majesty voluntarily in mistake of law; introduced by Hon. Hugh Guthrie, Minister of Justice. (Committee rose on May 8 without reporting). An Act to amend the Railway Act (Return Tickets): provided that a return ticket issued by any railway company between any two points in Canada should be accepted by any other railway company whose line ran between the same terminals; introduced by S. W. Jacobs (Lib., Cartier). (Committee rose on Mar. 17 without reporting). An Act to amend the Criminal Code (Appeals to Privy Council): intended to give force and effect to Sub-Section 4 of Section 1024 of the Criminal Code abolishing appeals to the Privy Council in criminal cases pursuant to powers conferred by the Statute of Westminster; introduced by Hon. Ernest Lapointe (Lib., Quebec East); and withdrawn, May 12. An Act respecting Courts of Admiralty: under authority of the Statute of Westminster, Canadian Parliament could pass an Admiralty Act and establish a Court of Admiralty; introduced by Hon. Hugh Guthrie, Minister of Justice; and withdrawn, May 8. An Act respecting the Income War Tax Act (Declaration on Returns): required taxpayers to swear as to the income disclosed in their income tax returns

derived by way of dividends and interest; introduced by Hon. E. N. Rhodes, Minister of Finance; and withdrawn, May 1. An Act to amend the Oaths of Allegiance Act: this made the form of oath, as contained in the Revised Statutes of Canada, conform with recent developments and more particularly with the Statute of Westminster; introduced by Hon. Ernest Lapointe (Lib., Quebec East); and withdrawn, May 26.

Bills Negatived. An Act to amend the Export Act: intended to repeal Section 8 of the Export Act with respect to the export of liquor to any country into which the import of such liquor was prohibited by law; introduced by Col. S. C. Robinson (Con., West Essex); and negatived on Motion for second reading, Feb. 16, 1933, on a vote of 100 to 44. An Act to amend the Railway Act (Rates on Grain): intended to give to British Columbia the same rates on grain as were given by Parliament to the Eastern Provinces; introduced by Thomas Reid (Lib., New Westminster); and negatived on Motion for second reading, Feb. 23, on a vote of 97 to 56. An Act to amend the Criminal Code (Unlawful Associations). (See "Debates" Section under this heading). An Act to amend the Immigration Act: defined the term "public charge" in order that people forced to accept unemployment relief might be excluded from deportation proceedings; introduced by J. S. Woodsworth (Lab., Winnipeg N.-C.); and negatived on Motion for second reading, Mar. 17, on a vote of 50 to 20. An Act to amend the Criminal Code (Lotteries). (See "Debates" Section under this heading). An Act to amend the Railway Act (Rate structure): intended to give power to the Board of Railway Commissioners to make decisions regarding rates on broad lines in order to develop trade or help certain basic industries; introduced by Thomas Reid (Lib., New Westminster); and negatived on Motion for second reading, Mar. 28, on a vote of 86 to 34. An Act with respect to Hospital Sweepstakes (See "Debates" Section under this heading). An Act to amend the Interest Act: provided for a maximum rate of 5 per cent.; introduced by G. G. Coote (U.F.A., Macleod); and negatived on Motion for second reading, May 9, on a vote of 65 to 34. An Act to amend the Judges Act: provided that any judge of a superior court of any Province or of the Yukon Territory, who continued in office after attaining the age of 75, should suffer a reduction in salary to an amount equal to that which he would receive by way of retiring allowance, were he retired at 75—a Government measure introduced by Hon. Maurice Dupré, Solicitor General; passed by the House of Commons but negatived on Motion for second reading in the Senate, May 16, on a vote of 17 to 11.

Incidents of the 1932-33 Session. On Nov. 21, Rt. Hon. Sir George Perley, Chairman of the Canadian delegation to the Geneva Disarmament Conference, presented an Interim Report in the form of a letter to the Prime Minister (Rt. Hon. R. B. Bennett) on the work of the Conference from its opening on Feb. 2, 1932, to the adjournment of the First Session on July 23, 1932.

A statement as to the interpretation to be placed upon the provisions of the Import Duties Act (see *The Canadian Annual Review*, 1932, page 342) passed by the Parliament of the United Kingdom on Mar. 1, 1932, was made by the Prime Minister of Canada on Oct. 26. It was abundantly clear, he explained, that the mere transit of Canadian goods through the United States, for instance, would not be a barrier to the granting of an Imperial preference, provided that the goods were definitely consigned from Canada to the United Kingdom and that satisfactory evidence of through consignment was produced. Mr. Bennett referred to the matter again on Nov. 3 when he read a cable which was to the same effect; it had been received from the High Commissioner's office in London, after consultation with the Dominions' Office.

On Nov. 21, 1932, the Prime Minister, in answer to a question by J. S. Woodsworth (Lab., Winnipeg N.-C.), respecting the policy of the Government in regard to the situation in the Far East and to the Lytton Report, said

that he did not think it desirable to enter into a discussion of the matter "for it not only cannot serve the public interest but would be anticipating action that might be taken" (by the Council of the League of Nations). He gave, however, an outline of the situation and, while admitting that Members of the House might express any opinion that they pleased, did not think it was advisable to do so. As for a declaration of Government policy, that should not be made "when the policy must needs be to some extent governed by considerations that will arise through discussions that will take place by the tribunal which ultimately has to decide the matter." The question came up again on Jan. 30, when Hon. Ernest Lapointe (Lib., Quebec E.) asked whether the Secretary of State (Hon. C. H. Cahan) had presented the views of the Government when he spoke at Geneva on the Manchurian question. In reply, the Prime Minister stated that Mr. Cahan had represented the Government and "he believes that on a true interpretation of his remarks they are not open to the criticisms that have been urged." Mr. Cahan himself on May 16 made a lengthy statement in regard to the Sino-Japanese dispute and the attitude which he had adopted as the representative of Canada at the General Session of the League of Nations when the Lytton Report came before the Assembly. He had deemed it expedient, said Mr. Cahan, to refer to Canada's objections to Article 10 of the League and he said, "I think that I truly interpreted the opinion of this Government and of this Parliament in suggesting that the time had not then arrived for the adoption of such extreme measures" (as involved in Article 16). Such measures had to be considered but they might have meant ultimately involving Canada in a war in the Far East for the protection of certain ill-defined interests and it was certainly his duty, as representative of Canada, to avoid saying or doing anything which would seem to imply that the Government of Canada was prepared to take such extreme action. He believed that his address on Dec. 8, 1932, had been widely approved by eminent delegates from several of the leading states. Meantime Mr. Bennett (Feb. 24) announced that the Assembly of the League of Nations had voted unanimously that morning—Siam abstaining—to adopt the Report of the Committee of Nineteen and that Japan had withdrawn from the Assembly. He then read a statement which had been cabled on Feb. 18 to the Canadian Advisory Officer at Geneva, with instructions to lay it before the Assembly. In this statement, the Canadian Government accepted the Report of the Committee, believing that in its recommendations would be found a solid basis for the peaceful development of the Far East. Approval of the statement was expressed by Rt. Hon. W. L. Mackenzie King, Leader of the Opposition, and by J. S. Woodsworth, Leader of the C.C.F. Group.

Mr. Bennett made a brief statement on Jan. 31, 1933, with respect to the Empire content of goods entitled to preference in Great Britain. Generally speaking, he said, 50 per cent. had been regarded at the Imperial Economic Conference as reasonable Empire content and the British Government had concluded that from their standpoint they would fix 50 per cent., effective from Apr. 11, 1933, as sufficient to entitle goods to the benefit of the Empire preference. This referred, not to all goods, but to a limited number.

On Feb. 14 when a vote of \$300,000 for cadet training came up, considerable opposition was voiced and Agnes Macphail (U.F.O., South-East Grey) moved that the vote be reduced by the sum of \$30,000. Her Amendment was negatived on Feb. 17 on a vote of 43 to 11.

On Feb. 21 on the Motion to go into Committee of Supply, A. W. Neill (Lab., Comox-Alberni) dealt at some length with an Order-in-Council passed on Feb. 3 providing "that no certificate shall be issued for canned salmon that has not been landed fresh at a cannery for canning within 24 hours after being caught." He charged that the measure should have been brought in by an Act of Parliament; that it was a breach of faith and a departure from the policy followed for quite a number of years and that it would put out of business the independent cannerymen and very nearly ruin the independent

fishermen. He was supported by Thomas Reid (Lib., New Westminster) and A. E. Munn (Lib., Vancouver N.). Hon. H. H. Stevens, Minister of Trade and Commerce, replied that the action taken had become necessary because of the reports that Canadian canned salmon was deteriorating in its standard. He decried any injury to the fishermen or independent canners.

On Mar. 6, Thomas Reid (Lib., New Westminster) on the Motion to go into Committee of Supply, referred to the construction and operation of the Government elevator at New Westminster, alleging that the Fraser River Elevator Co., which operated it, was not living up to its obligations and should not be allowed to remain in possession. Hon. H. H. Stevens, Minister of Trade and Commerce, explained the circumstances and vindicated the elevator company.

The Prime Minister on Mar. 6 moved that Parliament approve the Convention relating to international exhibitions and the Protocol of signature signed at Paris on Nov. 22, 1928, on behalf of the Government of Canada. The purpose was to limit the number of international exhibitions and to establish a uniform code for their organization and administration. The Motion was agreed to.

On Mar. 8, in tabling the Report of the Telegraph and Radio-Telegraph Conference held at Madrid, Spain, from Sept. 3 to Dec. 9, 1932, Hon. Alfred Duranleau, Minister of Marine, made a brief statement with respect to the work of the Conference and Canada's part therein.

On Apr. 3, Mr. Duranleau read to the House a statement from the Radio Broadcasting Commission with respect to the ban placed on speeches of Judge Rutherford through Canadian stations. It was explained that these speeches were in the form of gramophone records and that Canadian broadcasting stations had been instructed not to broadcast them "until the continuity of records of the same had been submitted to the Commission for approval." The representatives of the International Bible Students, the organization sponsoring Rutherford in Canada, had declined to submit the records to the Commission but instead distributed literature attacking the Commission, religious institutions and the clergy. The Commission "in order not to interfere with the legitimate operations of the International Bible Students" had authorized the broadcasting stations to allow the organization to substitute their own speakers in Canada for the records of Rutherford's speeches. Letters had been received from clergy of the majority of religious denominations in Canada commending the Commission on its course in the matter.

On Apr. 4, Mr. Duranleau, as Acting Minister of Fisheries, made a statement with respect to trawler licences, in which he reviewed the development of fishing by trawler, outlined the regulations for the control of trawlers and announced that for the year 1933-34 the number of trawlers licensed had been reduced from six to four, effective May 1.

A statement with regard to soldiers' pensions was made on Apr. 24 by Hon. E. N. Rhodes, Minister of Finance. It had been proposed in the Budget that pensions paid to returned soldiers in Government employ should be withheld. Objection has been taken to this by the representatives of returned soldier organizations on the ground that it would, in effect, result in a violation of agreement or contract and would be taken as an example by other employers, with detrimental results. Two conferences had been held and it had been decided that, for the present, there would be no interference with the existing procedure.

The Minister of Mines, Hon. W. A. Gordon, made a statement on May 3 in which he dealt with the Report of the Registrar under the Combines Investigation Act into the importation and distribution of British anthracite in Canada. This Report indicated that the importers' net profit for the four years, 1929 to 1932, had ranged from 39 cents a ton to 64 cents a ton. There had not been a contraction of that profit in the same ratio as retailers' profits. As questions of law were involved that were difficult of determination, the

Minister had decided to refer the matter to the proper authorities in the Province or Provinces affected for such action as they thought desirable.

Administration of Justice: Criminal Statistics

The total number of indictable offences disposed of by the Criminal Courts of Canada for the year ended Sept. 30, 1932, was 37,621 (Report issued February, 1934). Of this number 6,206 were acquitted and 32 detained for lunacy, leaving 31,383 convictions. The corresponding figures for the previous year were: indictable offences, 38,189; acquitted, 6,589; detained for lunacy, 58; convicted, 31,542. Convictions for burglary and "keeping bawdy houses" showed increases, but there was no material change as regards other crimes, a slight decrease in many accounting for the total decrease in convictions.

Convictions for non-indictable offences in 1932 were 297,919 as compared with 327,778 in 1931. A 31,701 decrease in Traffic Laws convictions, from 212,361 in 1931 to 190,660 in 1932, accounted for the largest percentage of the decrease, although smaller decreases were recorded in a great number of crimes. Gambling alone showed a marked increase from 8,287 in 1931 to 14,928 in 1932, mostly in the City of Montreal.

Total convictions by Provinces for 1932 were as follows:

	Indictable	Non-indictable
Prince Edward Island.....	78	825
Nova Scotia	1,072	3,573
New Brunswick	514	3,841
Quebec	7,086	112,132
Ontario	12,428	131,374
Manitoba	2,982	18,218
Saskatchewan	1,893	7,538
Alberta	2,241	8,180
British Columbia	3,072	12,148
Yukon and N.W.T.....	17	80

The total number of juvenile delinquents brought before the Courts during the year ended Sept. 30, 1932, according to the Annual Report compiled by the Judicial Statistics Branch of the Dominion Bureau of Statistics, was 9,154, a decrease of 793 or 8 per cent. from the previous year. Major delinquencies decreased slightly less than 3 per cent., while minor cases showed a 14 per cent. decrease. Nova Scotia and Quebec were the only Provinces to show an increase in the number of juvenile delinquents.

Royal Canadian Mounted Police. The Report of the Royal Canadian Mounted Police (Commissioner: Major-General James H. MacBrien, C.B., C.M.G., D.S.O.) for the year ended Sept. 30, 1932, stated that the strength of the Force at that date was 91 officers, 1,911 non-commissioned officers and constables, and 346 special constables, or 2,348 all ranks. The increase in total strength for the year was 997 or over 73 per cent. This was due in a large part to the absorption of the Provincial Police forces of Nova Scotia, New Brunswick, Prince Edward Island, Manitoba and Alberta and the assumption of the duties of the Customs and Excise Preventive Service on behalf of the Department of National Revenue. The Force was distributed as follows: Nova Scotia, 341; New Brunswick, 127; Prince Edward Island, 33; Quebec, 156; Eastern Ontario, 401; Western Ontario, 78; Manitoba, 208; Saskatchewan, 407; Alberta, 401; British Columbia, 147; Yukon, 49. During the year the number of investigations, cases, etc. of all sorts was 119,825, an increase over the previous year of 8,794 or 8.6 per cent. The West accounted for 65.37 per cent. of the work and the East for 34.63 per cent.

Penitentiaries; Reports on Riots. The number of convicts in custody in Canadian penitentiaries at the close of the fiscal year ended Mar. 31, 1932, was 4,164, according to the Report of the Superintendent of Penitentiaries, Brig.-Gen. D. M. Ormond. The average daily population was 3,931, as compared with 3,434 during the previous fiscal year. The *per capita*

cost per convict per day was \$1.38 and the net expenditure, \$2,554,556. The total number of cells was 3,794 including hospital and isolation cells. During the year extra cell construction was commenced and on Mar. 31, 1932, there were 665 new cells under construction. Other statistics showed that at Mar. 31, 1932, 2,806 of the convicts were born in Canada; 1,358 were born in other countries; 181 were serving life sentences; 527 were under 20 years of age; 1,908 were over 20 and under 30 years of age; and 272 were over 50 years of age. During the year 837 convicts were released by expiration of sentence; 379 were paroled; 83 deported; 19 pardoned and 16 died.

There were serious riots in three Canadian penitentiaries during the year 1932-33. An outbreak occurred in Portsmouth Penitentiary, Kingston, on Oct. 17 and again on Oct. 20. On both occasions it became necessary to summon military assistance. Five prisoners were injured, none seriously, and damage estimated at \$10,000 was done to the buildings. The St. Vincent de Paul Penitentiary near Montreal was the scene of a riot and fire on Nov. 4, followed by further disturbances on Nov. 7. In this case prisoners attacked the guards and set fire to the tailor shop, with resultant damage of approximately \$20,000. Nine guards and four convicts were injured. At Dorchester, N.B., on Jan. 7, 1933, between 250 and 300 convicts rioted in the prison dome for upwards of five hours and did considerable damage to the building and its furnishings before they were brought under control. At all three penitentiaries Departmental Inquiries were held and those concerned most actively in the disturbances were brought before the courts and tried for their part in the riots.

The Inquiry at Portsmouth Penitentiary was conducted by Brig-Gen. D. M. Ormond, Superintendent of Penitentiaries, who was present during part of the trouble in that institution. His Report on the disturbances was submitted on Jan. 23, 1933, to the Minister of Justice. After narrating in detail what had taken place, he gave the following as, in his opinion, the principal causes of the outbreak: (1) insufficient supervision covering a period of not less than ten years; (2) insufficient and inefficient inspection covering not less than a period of ten years; (3) retrenchment of inefficient officers on the staff; (4) lack of knowledge of, and familiarity with Penitentiary rules and regulations; (5) the desire on the part of certain long-term convicts to have less rigorous rules and regulations enforced within the Penitentiary; (6) a plot or scheme on the part of certain convicts to escape from the Penitentiary; (7) admission to the Kingston Penitentiary during the month of February, 1932, of certain convicts who were especially adept in organizing and inciting disturbances against constituted authority; (8) deprivation of convicts of cigarette papers and fine-cut tobacco, pipe tobacco being an authorized issue; (9) the large number of young and irresponsible convicts at that time confined in Kingston Penitentiary, many of whom had had experience in reformatories in Canada or elsewhere; (10) the monotony of penitentiary confinement; (11) "I am also of the opinion," he stated, "that two or three convicts, whose identity has not been disclosed up to the present time, are the principal organizers of the outbreak."

At the time of the disturbances Inspector Gilbert Smith was Acting Warden of the Penitentiary. He was relieved of duty and sent home on leave of absence on Oct. 22 and on Oct. 24, Lieut.-Col. W. B. Megloughlin, m.c., was appointed temporary Warden. Later Inspector Smith was retired on superannuation by the Department of Justice.

New regulations governing the conduct and privileges of prisoners became effective on Jan. 1, 1933. Once a month visits from relatives replaced the "once in two months" regulation. Two letters each month from each inmate to his family were permitted in place of one and if the visiting privilege were not exercised in any month, a prisoner might write an additional letter. Pipes, smoking, chewing and cigarette tobacco and cigarette paper would be provided on a ration basis. Stronger electric lights in dormitories and cells to permit reading without undue eye strain were another concession. The "silence rule" was changed to allow well-behaved prisoners to talk to one

another in a normal conversational tone during prescribed periods. More recreation for certain prisoners was allowed.

Divorces. Statistics of divorces in Canada in the calendar year 1932, compiled by the General Statistics Branch of the Dominion Bureau of Statistics showed an increase of 203 or 29.7 per cent. in the number granted as compared with 1931. The total of 887, of which 860 were granted by the Courts of seven Provinces and 27 by Parliament, was the highest on record. According to Provinces the divorces were granted as follows: Ontario, 233; Quebec, 24; Alberta, 149; Saskatchewan, 61; Manitoba, 114; Nova Scotia, 35; New Brunswick, 26; British Columbia, 245.

The Stubbs and the Martell Cases. On Nov. 30, 1932, a Commission was issued to the Hon. Frank Ford, a puisne Judge of the Supreme Court of Alberta, appointing him a Commissioner "to inquire into and report upon the complaints preferred against His Honour Lewis St. George Stubbs, Senior Judge of the County Court of the Eastern District of Manitoba, by the Judges of the Superior Courts of the Province of Manitoba, and by the Attorney-General of that Province." This action on the part of the Dominion Government marked the culmination of a series of incidents which had brought Judge Stubbs into conflict with the Manitoba authorities and had given him considerable notoriety throughout the Dominion.

Mr. Justice Ford opened his Inquiry on Jan. 11, 1933, and, after holding sittings on 24 days, brought it to a close on Mar. 9. The case attracted much attention and was extensively reported in the Press of the City of Winnipeg. It was characterized by the lengthy, detailed and at times impassioned defence of his conduct and actions by Judge Stubbs. The Attorney-General of Manitoba, Hon. W. J. Major, appeared as a witness to substantiate the complaints against him. Judge Stubbs had as counsel Hon. E. J. McMurray, a former Solicitor-General of Canada, and L. E. Abremovich, a local barrister. Arthur Sullivan, K.C., was counsel for the Commission.

The Report of the Commissioner, dated at Winnipeg, Mar. 20, 1933, was not made public at Ottawa until May 31. Decisions reached on the various complaints were as follows: (1) with respect to the Alexander Macdonald will case, when he had criticized the actions of the Judges of the Superior Courts, it was found that "such conduct on the part of a judge amounts to misbehaviour within the meaning of Section 31 of the Judges Act;" (2) with respect to complaints that he had received fees without legal authority and that he had accepted \$1,000 for serving as a commissioner for the Soldier Settlement Board, it was declared that this did not constitute judicial misconduct within the meaning of the Act; (3) with respect to the publication of a certain pamphlet entitled "Judicial Crimes! Complaints and Charges," and with respect to the publication of letters and statements criticizing the law officers, servants and representatives of the Crown in an unwarranted manner, these were found to constitute misbehaviour within the meaning of the Act; (4) with respect to the complaint that he had shown disregard of evidence and evident bias in adjudicating in criminal, quasi-criminal and civil cases, no misbehaviour was found; (5) with respect to the complaint that there had been unwarranted and unjustifiable criticism from the bench of law enforcement officers, no misbehaviour was found; (6) with respect to the complaint that various judgments and remarks from the bench and to the Press had been derogatory to the proper and orderly administration of civil and criminal justice in Manitoba, no misbehaviour was found, except in the case of *The King vs Gibson*, when, in addressing the accused, Judge Stubbs had used "defamatory language in relation to a matter entirely irrelevant to that before him."

On the strength of this Report and on the recommendation of the Minister of Justice, an Order-in-Council was passed on May 31, 1933, removing Judge Stubbs from office.

A Report to the Privy Council on the conduct of His Honour L. H. Martell, County Court Judge of District No. 4, Nova Scotia, made by Mr.

Justice J. A. Chisholm of the Supreme Court of Nova Scotia, was tabled in the House of Commons on Nov. 8, 1932. In it Mr. Justice Chisholm traversed the nature of the complaints made against Judge Martell and analyzed the evidence presented at the various hearings. Reviewing the Report, the Minister of Justice expressed the opinion that Judge Martell "abused his position and impaired the administration of justice with which he was entrusted." The Minister recommended his removal from office and this the Privy Council approved. Alleged drunkenness and the issuing of dishonoured cheques were among the complaints into which Mr. Justice Chisholm inquired.

National Revenue; Reports of Other Departments

The Report of the Department of National Revenue (Hon. E. B. Ryckman, Minister*) for the fiscal year ended Mar. 31, 1933, showed that total Customs revenue for the period was \$77,271,965 (1932, \$113,997,851). The total value of goods entered for home consumption was \$406,383,744 (1932, \$578,503,904); dutiable goods, \$256,377,100 and free goods, \$150,006,644. The percentage of duty on the total value was 19.02, (1932, 19.71). Total exports were valued at \$480,713,797, (1932, \$587,565,517).

The total Excise revenue for the fiscal year was \$123,478,841, (1932, \$109,586,366), made up of Excise duty \$40,123,506 and Excise tax, \$83,355,335. Details of Excise duty were as follows, spirits, \$7,201,375; malt-liquor, \$302,539; malt, \$2,875,779; tobacco, \$29,330,598; cigars, \$368,352; licences, \$44,863. The quantity of spirits produced was 4,345,834 proof gallons (1932, 7,099,637 proof gallons). Excise taxes collected were as follows: Domestic—licences, \$42,366; stamps, \$3,276,618; automobiles, \$220,328; matches, \$1,659,907; sales, \$49,275,962; playing cards, \$206,020; cigars, \$153,677; wines, \$195,369; ale, beer, etc., \$4,972,604; transportation, \$1,031,657; embossed cheques, \$115,710; penalties and interest, \$91,073; total, domestic, \$61,241,293. Importations—sales, \$8,701,609; excise, \$34,707; special excise 3 per cent., \$13,377,726; total, importations, \$22,114,042.

The following statement shows the amounts collected under the Income War Tax Act during the fiscal years 1931-32 and 1932-33, classified as to individuals and corporations, by Provinces and including head office. (Supplied by the Income Tax Division).

Provinces	1931-32		1932-33	
	Individuals	Corporations	Individuals	Corporations
Prince Edward Island.....	\$ 29,509.37	\$ 11,420.56	\$ 25,189.92	\$ 59,670.39
Nova Scotia	400,801.94	433,034.03	448,054.67	441,294.26
New Brunswick	313,311.48	217,540.50	343,713.37	248,697.87
Quebec	8,735,717.18	11,935,308.53	9,521,960.21	11,930,106.79
Ontario	11,575,632.27	18,692,674.16	11,774,141.11	18,907,190.71
Manitoba	1,025,786.71	1,206,561.79	1,016,340.59	1,118,051.95
Saskatchewan	255,186.99	148,293.80	222,131.76	116,380.70
Alberta	832,470.89	1,021,377.19	549,071.01	859,054.82
British Columbia	1,596,569.83	2,807,282.78	1,657,389.17	2,425,136.31
Yukon	7,306.30	3,053.40	10,381.59	710.58
Head Office	552.61	5,007.49	391,092.14	936.92
Totals.....	\$24,772,845.57	\$36,481,554.23	\$25,959,465.54	\$36,107,231.30
GRAND TOTALS		\$61,254,399.80		\$62,066,696.84

The Shipping Report of the Customs Division for the year ended Mar. 31, 1933, gave the following statistics: Vessels built, 9,156 tons (1932, 19,032 tons); vessels registered, 25,811 tons (1932, 64,396 tons); vessels entered inwards and outwards (sea-going and inland navigation exclusive of coasting) 76,272,485 tons (1932, 83,436,397 tons); vessels entered and cleared coastwise, 83,076,181 tons (1932, 90,224,871 tons); vessels sold to other countries, 37,543 tons, valued at \$443,250 (1932, 18,849 tons, valued at \$889,221).

*NOTE.—Hon. E. B. Ryckman resigned in November, 1933; Mr. R. C. Matthews, Member for Toronto East Centre, was appointed to succeed him as Minister.

Pensions and National Health. The Report of the Department (Col. and Hon. Murray MacLaren, C.M.G., M.D., C.M., Minister) for the year ended Mar. 31, 1932, was divided into six sections (1) Pensions Division; (2) War Veterans' Allowance Committee; (3) Board of Pension Commissioners for Canada; (4) Pension Tribunal; (5) Pension Appeal Court; (6) Health Division.

(1) Pensions Division: Admissions to hospital were 11,116, as against 12,077 in the previous fiscal year. The total number who received in-patient treatment was 14,267 as against 15,519 in 1930-31. Treatments under the out-patient department increased from 161,816 to 179,814. There were 2,626 in hospital at Mar. 31, 1932, against 3,127 in the previous year. There were 198 veterans' care cases, an increase of 27. 12,303 pensioners were granted relief (1931, 8,811) and the expenditure was \$2,082,052 (1931, \$907,010). 46 men were admitted in the Vetcraft Shops and 95 struck off; 191 were employed at Mar. 31, 1931. 36 cases were taken on for vocational and 6 for probational training. The number of pension applications received by the Veterans' Bureau was 15,089. The number of applications for returned soldiers' insurance was 1,463 (1931, 1,563) and the number of policies in force at Mar. 31, 1932, was 28,426 for \$62,680,341. The following shows disbursement of funds appropriated by Parliament: direct payments to men and dependants, \$54,833,059; payment for services to men and dependants, \$4,472,554; capital expenditures, \$36,868; payments to outside organizations, \$67,050; recoverable expenditures, \$185,816; total, \$59,595,348; revenue, insurance premiums, \$1,643,456; casual revenues, \$186,745; total, \$1,830,201; administration expense, \$1,511,595; expense of Board of Pension Commissioners, Veterans' Bureau, Pension Tribunal and Pension Appeal Court, \$1,058,126; total, \$63,995,270 (1931, \$59,826,417).

(2) War Veterans' Allowance Committee: The Committee had charge of the administration of the War Veterans' Allowance Act, effective Sept. 1, 1930. The number of new applications dealt with during the year ended Mar. 31, 1932, was 4,442 and the number of cases renewed was 1,105, a total of 5,547. Allowance payments in force at Mar. 31, 1932, numbered 3,825, with annual liability of \$1,257,334.

(3) Board of Pension Commissioners for Canada: A further marked increase in the number of disability pensions took place during the year, there being a total of 9,209 additional awards in force. The number of awards in dependant cases, on the other hand, continued to reflect a decrease, being 368 less for the year. The total number of disability awards in force at Mar. 31, 1932, was 75,878 and of dependant awards, 19,308; total, 95,186. The total number of beneficiaries under the Pension Act, including all classes of pensioners or dependants on whose account pension was being paid, was 258,793, an increase of 147 for the year. The total liability in respect of pensions for the fiscal year ended Mar. 31, 1932, was \$41,853,377, an increase of \$1,646,561.

(4) Pension Tribunal: At Apr. 1, 1931, the Pension Tribunal consisted of 8 members in addition to the Chairman and four districts had been established with headquarters at Vancouver, Winnipeg, Toronto and Ottawa. The Amendments to the Pension Act passed in 1931 provided for 3 additional members and appointments were made as follows: on Aug. 12, Lieut.-Gen. Sir Richard Turner, V.C., and Brig.-Gen. H. F. McDonald, C.M.G., D.S.O.; on Sept. 12, Major C. C. Thompson, M.C., V.D. The enlargement permitted another quorum and in October headquarters of the Eastern District Tribunal was moved to Montreal, the fifth quorum being attached to Ottawa. During the year ended Mar. 31, 1932, 4,768 applications were dealt with and at Mar. 31, 1932, 2,039 applications were awaiting hearing.

(5) Pension Appeal Court: Sittings of the Court began Feb. 2, 1931, and up to Mar. 31, 1932, 1,672 appeals had been heard and 1,660 decisions rendered.

(6) Under National Health were the Food and Drugs Division; Narcotic Division; Proprietary or Patent Medicines Division; Public Health Engineer-

ing Division; Marine Hospitals Service; Quarantine Service; Leprosy and Leper Stations; Immigration Medical Service; Laboratory of Hygiene; Division of Venereal Disease Control and Division of Child Welfare.

(a) Food and Drugs Division: There were 26 inspectors of food and drugs located in the largest population centres and ports of entry. In the course of the year they submitted 14,527 samples for analysis. Proceedings were instituted in 62 cases, of which 30 went to trial and convictions were registered in all. 8 cases were settled and in 24 the penalties were paid as provided by Section 26 of the Food and Drugs Act. The majority of the prosecutions arose from adulteration of meat products.

(b) Narcotic Division: The total number of convictions under the Opium and Narcotic Drug Act during the judicial year ended Sept. 30, 1931, was 303 (1930, 458). Of these 144 were Federal prosecutions and 189 were initiated by Provincial and Municipal police forces. The convictions for selling and importing increased from 166 to 173. A great deal of time was devoted during the year to preparations for participation in the International Conference for the Limitation of the Manufacture of Narcotic Drugs, Geneva, May 27-July 13, 1931, the Canadian Delegates being Dr. W. A. Riddell, Canada's permanent representative at Geneva, and Col. C. H. L. Sharman, c.m.g., c.b.e., Chief of the Narcotic Division. An International Convention for limiting the manufacture and regulating the distribution of narcotic drugs was signed on July 13, 1931. (This became internationally effective, July 9, 1933).

(c) Proprietary or Patent Medicine Division: Under the provisions of the Proprietary or Patent Medicine Act, 595 new medicine preparations were assigned registration numbers; the registration of 4,654 preparations was reviewed; a total of 5,249 were licensed; labels, wrappers, cartons, circulars and advertisements aggregating 2,062 were examined and criticized; the Advisory Board approved 72 medicinal preparations and rejected 17 and 212 applications for registration were dismissed; two manufacturers were prosecuted and convicted.

(d) Public Health Engineering Division: The principal activities of this Division were in connection with protecting the health of the tourists, travelling public and persons engaged in transportation activities. Extensive investigations along the line of the removal of pollution were carried out.

(e) Marine Hospital Service: The Department operated two marine hospitals for the care and treatment of sick mariners, one at Lunenburg, N.S. and the other at Sydney, N.S. and had arrangements with about 75 local hospitals at contract rates. The total number sent to the various hospitals was 3,559. Sick mariners' dues were collected from 2,818 vessels carrying 86,301 seamen; 5,816 sick or injured mariners received treatment, of whom 3,394 were sent to doctors paid by the Department and 1,137 were given hospital treatment.

(f) Quarantine Service: 2,970 vessels and 316,805 persons were inspected at organized quarantine stations during the year ended Mar. 31, 1932.

(g) Leprosy and Leper Stations: Two leper colonies, one at Tracadie, N.B., the other at Bentinck Island, B.C., were administered by the Quarantine Division. During the year ended Mar. 31, 1932, the number of patients at Tracadie was reduced from 10 to 8 and at Bentinck Island from 9 to 6.

(h) Immigration Medical Service: Examination centres in charge of Canadian medical officers were in operation at Mar. 31, 1932, in London, Liverpool, Glasgow, Belfast, Paris, Antwerp and Hamburg. During the fiscal year ended Mar. 31, 1932, 10,273 persons were medically examined before embarking (1930-31, 51,523) and 965 were certified as "prohibited." During the year, 92 persons were deported from Canada by the Department of Immigration on account of becoming public charges due to mental or physical defects.

(i) Laboratory of Hygiene: During the year the general routine activities of the Laboratory were conducted along well-established lines in conformity with the Food and Drugs Act and Regulations.

(j) Division of Venereal Disease Control: The number of new cases of syphilis reported in 1931 by the free V.D. Clinics throughout the Dominion was 10,877, (1930, 9,307) and of gonorrhoea, 12,142 (1930, 11,949). Total clinic treatments given were 703,006 (1930, 660,841).

(k) Child Welfare Division: The principal subjects dealt with by this Division were infant and maternal mortality, maternal welfare, pre-natal care, maternal nursing, mothercraft, retarded and backward children, mentally defective children and child labour. Results were more encouraging than in the previous year.

Pension Act Investigation. Representations having been made by the Associated Veterans respecting the administration of the Pension Act, the Government on Aug. 4, 1932, passed an Order-in-Council appointing a Committee to carry on an investigation of the working of the Act and to make suggestions or recommendations for its improvement. The Committee was composed of Hon. T. Rinfret, Judge of the Supreme Court of Canada, Chairman, (on Dec. 2, 1932, Hon. Louis Arthur Audette, retired Judge of the Exchequer Court of Canada, was substituted as Chairman for Judge Rinfret); Richard Myers, representing the Amputations' Association of the Great War and the Sir Arthur Pearson Club of Blinded Soldiers and Sailors; Frank G. J. McDonagh, representing the Canadian Pensioners' Association of the Great War; Col. W. C. Wood, representing the Army and Navy Veterans in Canada; the Rev. John Kelman, representing the Tuberculous Veterans' Section of the Canadian Legion of the British Empire Service League; Brig.-Gen. Alex. Ross, C.M.G., D.S.O., District Court Judge for Saskatchewan, representing the Canadian Legion of the British Empire Service League; Lieut.-Col. John Thompson, K.C., D.S.O., Board of Pension Commissioners; Col. L. P. Sherwood, V.D., A.D.C., Pension Appeal Court; Brig.-Gen. H. F. McDonald, C.M.G., D.S.O., Pension Tribunal; Dr. Ross Millar, Department of Pensions and National Health; Lieut.-Col. C. B. Topp, D.S.O., M.C., Chief Pensions Advocate, Veterans' Bureau.

The Committee held its opening session at Ottawa on Sept. 20. Brig.-Gen. Ross was elected Vice-Chairman and F. H. Scammell, Secretary of the Department of Pensions and National Health, was appointed Secretary. The Committee held a number of sittings and examined many witnesses, completing its hearings on Jan. 13, 1933. The result of its work was tabled in the House of Commons on Jan. 31 by Hon. Murray MacLaren, Minister of Pensions and National Health. This took the form of four reports, the first signed by the Chairman, Mr. Justice Audette, and concurred in by Col. John Thompson, Col. C. B. Topp and Dr. Ross Millar; the second submitted by Brig.-Gen. Alex. Ross, supported by Richard Myers, Frank G. J. McDonagh and Col. W. C. Wood; the third by Rev. John Kelman and the fourth by Col. L. P. Sherwood and Brig.-Gen. H. F. McDonald.

The Chairman's Report recommended (1) that the Pension Tribunal be abolished and the Pension Act amended to effectuate such purpose; (2) the abolition of the Pension Tribunal would leave but two bodies to deal with the question of soldiers' pensions, a tribunal of first instance, the Board of Pension Commissioners, and a court of appeal; (3) the Pension Appeal Court, as a court of appeal and review, should continue to function as presently constituted. The other reports included a considerable number of recommendations calculated to improve the operation of the Pension Act. At the 1933 Session of Parliament, these recommendations were embodied in a Bill to amend the Pension Act. (See pages 86-7).

Public Works. The Report of the Minister of Public Works (Hon. H. A. Stewart) on the works under his control, for the fiscal year ended Mar. 31, 1932, showed that \$22,360,329, including \$1,592,933 for unemployment relief, had been expended during the year on various works of construction, maintenance and operation, a decrease as compared with 1931 of \$11,758,074. Principal outlays were: harbour and river works, \$5,000,984,

a decrease of \$6,784,525; dredging, plant, etc., \$2,520,843, a decrease of \$1,784,283; public buildings, \$11,264,114, a decrease of \$4,528,460. Revenue amounted to \$913,722, an increase of \$354,042.

The principal public work completed during the year was the inter-provincial bridge (Perley Bridge) across the Ottawa River between Hawkesbury, Ont. and Grenville, Que., officially opened on Oct. 21, 1931.

The Government Telegraph Service had at the close of the fiscal year a telegraph pole mileage of 9,077 $\frac{3}{4}$; wire mileage, 11,118 $\frac{1}{4}$; cables, 367 $\frac{3}{4}$ knots; offices, 731. Messages sent during the year aggregated 336,256, a decrease of 75,550 from the previous year. There were no large items of construction undertaken during the year. Net traffic revenue derived from operation of the Telegraph Service was \$187,454, a decrease of \$54,355.

(The National Gallery, under the jurisdiction of the Minister of Public Works, is covered in the Section: National Organizations).

Secretary of State. The Report of the Secretary of State (Hon. C. H. Cahan) for the year ended Mar. 31, 1932, dealt with the work of the Correspondence Branch, the Registrar's Branch, the Companies Branch, the Naturalization Branch and the Departmental Library. (1) Correspondence Branch: Nine new boards of trade were registered. No elections were held under the Canada Temperance Act. 922 licences were issued under the Ticket-of-Leave Act. 33 capital cases were dealt with in the Remission Division jointly with the Department of Justice; of the 33 cases the death penalty was carried out in 24, 3 were commuted, in 4 cases new trials were granted, 1 prisoner died before execution and 1 conviction was quashed by the Court of Appeal. (2) Registrar's Branch: During the year 221 documents were engrossed and typed and 1,820 were recorded. Copies were made of over 3,800 pages of documents and records, including 624 certified copies and certificates. (3) Companies Branch: The number of companies incorporated was 760, including 17 corporations without share capital and 347 companies having shares without nominal or par value. The aggregate authorized capital stock of companies having both preferred shares with par value and common or other shares without nominal or par value was \$19,713,750 preferred stock and 75,298,527 shares without nominal or par value (allotment price, \$210,370,150). Supplementary letters patent were issued to 197 companies. (4) Naturalization Branch: 17,333 certificates of naturalization were issued under the provisions of the Naturalization Act, 1927, comprising 16,699 to aliens; 627 to persons who were naturalized as British subjects in Canada under the Naturalization Act, 1906; 4 to persons of Canadian birth who had taken out United States citizenship and desired to be repatriated; 1 to a person with respect to whose nationality as a British subject a doubt existed; and 2 to minors. The grant of these certificates conferred naturalization upon 32,517 persons, as the names of wives and minor children were included. (5) Departmental Library: The Library contained approximately 100,000 reference books, pamphlets and documents. During the year 14,622 publications were received and of these 2,880 were distributed.

Reparations. On Nov. 30, 1932, a further Report on Reparations was submitted to His Excellency the Governor-General-in-Council by Errol M. McDougall, k.c., Commissioner. This stated that since the previous Report on Jan. 13, 1932, the Commission had held sittings at Toronto, Hamilton, Montreal, Saint John, Truro, Halifax, Bridgewater, Winnipeg, Calgary, Vancouver, Victoria, Edmonton, Saskatoon, Ottawa, and at Boston, Chicago and Seattle in the United States. A further large number of maltreatment cases were heard, as also whatever civilian cases were ready for presentation. The Report comprised all cases heard down to June 1, 1932, and consisted of decisions in 324 cases, of which 44 were civilian and 280 maltreatment cases. This brought the total cases to 991, with 256 cases yet to be disposed of.

On Mar. 4, 1933, the Commissioner submitted his Final Report. This showed a total number of cases dealt with of 1,277; awards, 456; principal,

\$698,787.87; interest (estimated), \$424,914; total, \$1,123,702. Of the 1,277 cases, 415 claims were filed by civilians and 862 claims by military ex-prisoners of war. 53 civilian and 108 military claims were disallowed for lack of prosecution or withdrawal by the claimants. Total cases heard numbered 1,067.

In connection with the "Gypsum Queen" case (See *The Canadian Annual Review*, 1932, page 95) it was announced in the Senate on Oct. 14, 1933, by Rt. Hon. Arthur Meighen that the Government had decided to take action in the civil courts against Senator Hance J. Logan, counsel for Captain Freeman Hatfield, owner of the vessel, for the recovery of the sum awarded in connection with the sinking of this vessel, it having been established by Royal Commission that the reparations had been secured by fraud. The action being a civil one, stated Mr. Meighen, would not, in itself, alter Senator Logan's Parliamentary standing.

Civil Service. The 24th Annual Report of the Civil Service Commission of Canada, (Chairman, Hon. W. J. Roche) being for the year ended Dec. 31, 1932, stated that, due to the current economic condition and the continued need for economy, comparatively few appointments to the Public Service had been required and consequently fewer examinations had been held. Of approximately 20,000 applications for employment received by the Commission, less than 12,000 were examined. 690 assignments of a permanent character were made, including 152 rural postmasters. There were 2,161 assignments for varying periods of temporary employment, including 112 postmasters, and certificates were also issued for 227 promotions and 240 transfers.

By an Order-in-Council, passed June 14, 1932, it was provided that all permanent positions which were vacant as of July 30, 1932, should be deleted from those Services for which establishments had been authorized by Order-in-Council and that the establishments of temporary employees should be limited. It was further provided that no position which became vacant after July 30, 1932, should be filled either by new appointments or promotion, except in cases where the deputy head and the Minister of the Department were satisfied that the public interest would suffer if the position were not filled. As a consequence the majority of appointments since July 1, 1932, were of temporary nature and promotion certificates were issued only in exceptional cases. In all other instances, while promotional competitions were held and the usual procedure followed to determine the employee to whom the duties of a vacant position should be assigned, such employee was only given acting rank without increase in remuneration. This procedure was followed in 76 cases. The Commission made every effort to fill vacancies by rearrangement of staff within departments, by transfer of surplus employees from one department to another and by the assignment of other posts, wherever possible, of persons who had been laid off from permanent positions which were no longer required.

Department of National Defence. The Report of the Department of National Defence (Lieut.-Col., the Hon. D. M. Sutherland, M.B., D.S.O., Minister) for the year ended Mar. 31, 1932, covered Militia, Air and Naval Services. The Permanent Active Militia had at Mar. 31, 1932, a strength in warrant officers, non-commissioned officers and men of 3,300. The Non-Permanent Active Militia had an authorized peace establishment of 9,061 officers and 125,782 other ranks and an actual strength of 6,911 officers and 44,962 other ranks (Dec. 31, 1931). The total numbers of the Non-Permanent Active Militia trained during the year were 4,823 officers and 31,466 other ranks. During the year 38 applications for permission to organize new cadet corps were received and the total number of cadets enrolled at Mar. 31, 1932, was 134,088. Under the Militia Service were the Royal Canadian Signals which had in operation 24 radio-telegraph stations and 5 radio beacon stations. The principal system was the North-West Territories and Yukon Radio System, which in 1931 handled 14,652 messages and had gross receipts of \$35,724 and net receipts of \$31,949.

The Royal Canadian Air Force is the military branch of the Air Services of Canada. The establishment of the Permanent Active Air Force consisted of 204 officers and 732 airmen and the strength at Mar. 31, 1932, was 178 officers and 700 airmen. Of the total about half were attached for duty with the other branches of the Air Services.

Total expenditure in 1931-32 on Militia, Air and Other Services (except Naval) was \$15,329,054 (1930-31, \$20,134,554) and Revenue, \$346,453 (1930-31, \$302,154). There was a decrease of \$1,325,899 in the expenditure on Militia Services, practically all camp training of the Non-Permanent Active Militia having been discontinued. Air Services' expenditures were reduced by \$3,017,228, the principal saving being due to the discontinuance of flying operations consequent on the transfer of the natural resources to the Provinces of Manitoba, Saskatchewan and Alberta.

The Royal Canadian Navy had at Mar. 31, 1932, an authorized personnel of 104 officers and 792 ratings. The complement of ratings was full but there were only 86 officers, including 8 Royal Navy officers on loan serving in the Royal Canadian Navy. The most important factor of the year was the commissioning of H.M.C.S. *Saguenay* and *Skeena* for service. Total expenditure on the Naval Service for the year was \$3,043,509. Revenue amounted to \$15,454.

The Department of National Defence undertook a programme of work during the Winter of 1932-33 in the interests of the homeless unemployed. The construction of emergency landing stations on the route of the Trans-Canada Airway System and repairs to the citadels in Quebec and Halifax were the chief items in the programme. The cost to the Government was placed at \$300,000 and 2,000 men were used.

Department of the Interior. The Annual Report of the Department of the Interior (Hon. Thomas G. Murphy, Minister) for the year ended Mar. 31, 1932, was in six parts,—(1) Dominion Lands Administration; (2) Forestry; (3) National Parks; (4) Water Power and Hydrometric Bureau; (5) Topographical Survey; (6) Geodetic Survey and International Boundary Commission.

Dominion Lands Administration. Consequent upon the transfer of the natural resources to the Western Provinces in 1930, the administration of Dominion lands, whether in the Provinces or in the North-west or Yukon Territories, was consolidated under the Chairman of the Dominion Lands Board, H. E. Hume, and the staff was reduced to conform to the continuing responsibilities. During the year ended Mar. 31, 1932, there were 707 letters patent issued, covering a total area of 103,827 acres. Of special importance was the activity in connection with the mineral region near Great Bear Lake in the North-west Territories. The total number of claims recorded in the District of Mackenzie during the year was 1,267. The Department of the Interior was providing the necessary governmental machinery to promote the extraction and utilization of these resources. Covered in this part of the Report were the 1931 patrol of the Canadian Arctic archipelago by the S.S. *Beothic*, July 30 to Sept. 17; the work of the North-West Territories Council and the work of the Yukon Council. Net revenue under Dominion Lands administration amounted to \$673,633.

Forestry. The Report of the Director of Forestry, E. H. Finlayson, stated that, while the transfer of resources to the Western Provinces had had considerable effect on the organization and work of the Federal Forest Service, the Service had continued to exercise functions which were Dominion-wide: (a) The National inventory of forest resources, begun in 1929, was continued. Compilation of the inventory of the forest resources of Manitoba was completed and considerable progress made in Saskatchewan, Alberta and New Brunswick. Sufficient progress had been made on the inventories of all the Provinces to justify a revision of the estimate for the Dominion prepared for the Empire Forestry Conference in 1928. The forest area was in 1931

estimated to be 1,153,000 square miles (31.2 per cent. of the total land area) and the total stand was estimated at 267,733 million cubic feet. (b) Field activities in connection with the nation-wide survey of rate-of-growth conditions were omitted for reasons of economy but a field programme of silvicultural research was carried out both in Eastern and Western Canada. (c) The forest fire situation in 1931 showed a marked improvement over 1930. The number of fires was 6,954 (1930, 6,805) but the loss, \$4,188,920, was reduced to almost half the 1930 figure. (d) The Forest Products Laboratories received requests for technical information numbering over one-third more than in the previous year, evidencing a steadily increasing appreciation of their work.

The Dominion Observatory, Ottawa. The Director of the Dominion Observatory, R. Meldrum Stewart, supplied the following report on the work of the Observatory for 1932:

Meridian Work and Time Service.—In the regular programme of the meridian circle there were obtained, on 190 observing days, 2,099 observations for right ascension and declination of stars, and 212 of the sun, moon and planets. On 34 nights observations for clock correction were made with small transits, in November and December the Cooke and Heyde transits being used on alternate nights. The time service was maintained as in previous years with no material changes. Wireless time signals were received from Rugby, Annapolis, Bordeaux and Nauen, the receipt being made regularly by the method of coincidence by extinction, and also by automatic registration for about 60 per cent. of the signals. Time signals were broadcast at noon daily, except Sunday, through CNRO on concert wave length, and daily through the Observatory station on wave lengths of 90, 40.8 and 20.4 metres.

Solar Physics.—Measurements of tree-growths and analyses of records were continued in the investigation of the astronomical cycles in the climate and forms of life in Canada. Over 80 solar photographs and 115 nine-strip spectrograms of various points on the sun with iodine absorption spectra were secured; and over 220 spectrograms were measured and computed. The usual programmes of solar spectrography and photography were somewhat curtailed by plans and preparations for observing the eclipse of Aug. 31, 1932. A site was occupied a mile west of the central line of totality, north-west of St. Alexis des Monts, Quebec. Two 20-inch celostats supplied light to cameras and spectrographs. Motion pictures of corona and flash spectra were to be accompanied by chronographic recording of the times, and other photographs of the corona and spectrum were planned. Clouds prevented observations.

The 15-inch Equatorial.—Work with this instrument during the year was almost entirely photometric. The photo-electric photometer mentioned in the 1931 Report was, in 1932, in efficient working order and appeared to be capable of giving first class results. Light-curves of ζ Geminorum, η Aquilae, and δ Cephei were determined; some work was also done on 12 Lacertae, α Canum Venaticorum, and η Aurigae. As in previous years, the telescope was made available to visitors every clear Saturday evening.

Photographic Photometry.—Observations were continued on the Cepheid fields of the international programme, over sixty plates having been obtained for the determination of the magnitudes of comparison stars. Sufficient plates had been secured for forty fields and all plates had been prepared for measuring. Toward the close of the year a photometer for measurement of the densities of star-images was delivered and it was hoped to have, in a short time, the measurement of the magnitudes of the comparison stars under way.

Seismology.—During the year 392 earthquakes were registered at the Ottawa station and of this number 16 were reported to the Press and 18 to Science Service at Washington, D.C. The dates of occurrence of the largest earthquakes recorded and the districts affected by them were as follows: June 3, 1932, Mexico; June 18, 1932, Mexico; July 7, 1932, Lower California;

Dec. 21, 1932, Nevada. The seismographs at Ottawa, Halifax, Saskatoon, Shawinigan Falls and Seven Falls were maintained in practically continuous operation throughout the year. An investigation of the Tango earthquake of Mar. 7, 1927, was completed, resulting in new and improved travel-time curves for longitudinal and transverse earthquake waves.

Terrestrial Magnetism.—Owing to restricted appropriations field work was confined to the determination of the three magnetic elements at two stations where special declination observations were made at the time of the total solar eclipse on Aug. 31. Other observational work comprised the yearly re-determination of the elements at Ottawa and the usual intercomparison of instruments. In the office progress was made in the reduction to epoch of all observations made since the inauguration of the systematic survey in 1907.

Gravity.—Reductions for the complete list of 128 Canadian gravity stations were completed by the Hayford method and also under certain assumptions based on the Airy hypothesis. It was found that such reductions, when numerous, were facilitated by special maps showing the average elevation, by sections, of the areas involved. Such a map covering North America and the adjoining oceans was prepared. An investigation of the cause of the large anomalies in the deflection of the vertical in the vicinity of Gaspé was made and a report on the subject was to be published.

Applied Geophysics.—In continuation of the work of 1930 and 1931 magnetometric surveys for the purpose of investigating the relation between the anomalies and the occurrence of the minerals asbestos and chromite were made in the serpentine belt in the vicinity of Thetford, Quebec. Magnetometric traverses were also made of the Stony Creek gas and oil field in New Brunswick and of the Malagash salt deposit in Nova Scotia.

Publications.—Publications during the year included four numbers of the regular series of Publications of the Dominion Observatory, namely Vol. X, Nos. 12, 13, 14 and 15, *Bibliography of Seismology*. Other papers published elsewhere or issued in mimeographed form included the following: *Wireless Time Signals Observed at Ottawa, 1927-1931: Magnetic Results, 1927-1931; Standard Time and Time Zones in Canada: The P-curve and the S-curve Resulting from a Study of the Tango Earthquake, Japan, Mar. 7, 1927; Sun-spots and Forest Fires; The Projection of Circles on a Mercator Map; the Earthquake of October, 1931, in the Solomon Islands; Surveys with the Torsion Balance and the Magnetometer in Eastern Canada.*

Dominion Astrophysical Observatory. J. S. Plaskett, F.R.S., Director of the Dominion Astrophysical Observatory, Victoria, B.C., reporting on the work of the Observatory for the year ended Mar. 31, 1933, stated that almost the whole time of the telescope, except two hours for visitors every Saturday evening, was devoted to photographing stellar and nebular spectra. A few nights were devoted to direct photography of star clusters for the investigation of the stars variable in light. The observing weather, though better than the previous year, was still below the average. On 197 nights 1,137 hours observing were secured as against the fourteen-year average of 204 nights and 1,256 hours. The number of plates secured was 840 as against the average of 1,424, the lower number being explainable by the increasing faintness of the stars under investigation and the consequent increased exposure times necessary. Other work of the Observatory included the following: (a) discussion of the radial velocities of the O to B5 stars which had been under investigation since 1923 was continued; (b) about 331 spectra were obtained on the A-type programme and 373 measured; (c) the orbits of nine stars were determined; (d) continuing the spectrophotometric study of band contours in Wolf-Rayet stars and related objects with the photo-electric microphotometer a reasonably good correlation between theory and observation was attained; (e) the observation of inter-stellar calcium and sodium lines was continued not only in the case of stars but also for the nuclei of the brighter planetaries as well; (f) spectrophotometric studies of the long

period variable χ Cygni and of the irregular variable Z Andromedae are in progress. Over 100 direct photographs of globular clusters were obtained for the study of variable stars and 40 such variables were discovered; (g) some time was spent on the analysis of reports on the aurora. During the year No. 3 of Vol. V of Nos. 6, 7, 8 of Vol. VI of the Observatory's Publications were issued. Approximately 13,085 persons visited the Observatory as compared with 24,500 in the previous year.

National Parks. The Report of the Commissioner, J. B. Harkin, stated that the year had been one of sound progress. Through the appropriation of unemployment relief funds numerous important works were proceeded with, though no new areas were added to the Parks system. Notwithstanding depressed business conditions, visitors to the Parks increased in numbers, being 616,215, as compared with 541,350 in the previous year. The policy of directing attention to the Parks by means of illustrated lectures, radio broadcasts, motion pictures, illustrated pamphlets and other agencies was continued during the year. Revenues collected by the National Parks Service amounted to \$228,357, an increase of \$6,440. Good progress was made with the acquisition, preservation and marking of national sites throughout the Dominion under the direction of the Historic Sites and Monuments Board of Canada, 21 memorials being erected and preservation work done on 5 sites.

Water Powers and Hydrometric Bureau. The Report of the Director and Chief Engineer of Water Power, J. T. Johnston, stated that Canada's available water-power on a basis of 80 per cent. efficiency was computed at 20,347,400 h.p. for conditions of ordinary minimum flow and 33,617,200 h.p. ordinarily available for six months of the year. As at Jan. 1, 1932, the total turbine installation in Canada was 6,666,337 h.p., indicating that only about 15½ per cent. of the recorded water-power resources of the country had so far been developed. During the year international waterway problems received continuous attention and the work of the International Joint Commission and the various international control boards was covered in detail in the Report.

Topographical Survey. The Report of the Director and Surveyor-General, F. H. Peters, for 1932-33, stated that during the year the Topographical Survey had continued to publish new maps and plans and to re-issue others where the supply was exhausted. The total number of new maps printed during the year was 47, of which 20 were new map sheets of the National Topographic Series having a combined area of 73,300 square miles. A co-operative arrangement was reached with the Department of National Defence whereby the maps formerly published by the Geographical Section, General Staff of that Department, were being distributed by the Topographical Survey. This series of maps fitted with the National Topographic Series as both were based on similar latitude and longitude boundaries and the combined distribution office would tend to give more efficient service to the public. At Mar. 31, 1933, there were available for distribution 915 different maps, 94 reports and technical pamphlets and about 7,000 official plans of townships, townsites and settlements. During the year there was considerable activity in surveying mineral claims in the North-west Territories, particularly at Great Bear Lake where spectacular finds of pitchblende and silver ores had been made.

Geodetic Survey of Canada. The operations of the Geodetic Survey of Canada during the year 1932, according to the Report of the Director, Noel J. Ogilvie, were as follows: (a) Triangulation: Field operations were carried on in the northern portion of the Gatineau River triangulation net. A triangulation net along the northern line of the Canadian National Railways in Quebec was extended. These operations completed the field work on three large triangulation loops in Western Quebec. (b) Precise Levelling: Operations were carried on in Ontario and Nova Scotia. Inspection of bench marks was made in the Essex peninsula, Ontario; along the St. Lawrence River between Prescott and Montreal; and in the vicinity of St. Johns, Que.

(c) Geodetic Triangulation and Isostasy: Five stations in Yukon Territory were observed for the determination of geographical position control. Nine geodetic stations in Nova Scotia were occupied for longitude and latitude determinations.

The International Boundary Commission. In his Report for the year 1932 His Britannic Majesty's International Boundary Commissioner for Canada, Noel J. Ogilvie, stated that during the year monuments were repaired and the boundary vista was cleared on portions of the Quebec-Maine, Quebec-New York and Manitoba-North Dakota sections of the boundary. New Monuments of a special type were erected on the Manitoba-North Dakota boundary to mark the point where that boundary is crossed by a new international highway at the International Peace Garden in the Turtle Mountains. Similar monuments were erected to mark the points where the British Columbia-Washington boundary is crossed by the Nelson-Spokane and Grand Forks-Spokane highways. Connection was made at two points in New Brunswick between stations of the International Boundary Commission triangulation and primary stations of the Geodetic Survey of Canada. A joint inspection by the Commissioners was made of parts of the southern boundaries of Manitoba, Alberta and British Columbia.

Indian Affairs. The Report of the Department (Hon. Thomas G. Murphy, Superintendent-General) for the year ended Mar. 31, 1933, contained the report of Harold W. McGill, Deputy Superintendent General. This stated that during the year the Indians had held their own reasonably well in respect to economic and health conditions when the unfavourable situation throughout the country generally was taken into consideration. The Indian population remained at about 108,000, there having been no decline in recent years. There were 80 residential and 260 day schools in operation; total enrolment was 17,425 and average attendance, 13,487. The expenditure for Indian education from Parliamentary appropriation was \$1,712,223, a decrease of \$292,734 as compared with the previous year. At Mar. 31, 1933, capital of the Indian Trust Fund amounted to \$13,580,007, as against \$13,644,079 at the end of the preceding year. The amounts expended from the Consolidated Revenue Fund were: Voted by Parliament for purposes of the Department, \$4,088,866 and, annuities by statute, \$229,321.

The Census of 1931. Further bulletins containing the results of the Seventh Census of Canada, taken as of June 1, 1931, appeared during the year. *Bulletin No. XXI* gave the population of Canada by religious denominations. Figures for the principal denominations were as follows: Roman Catholics (including 186,654 Greek Catholics), 4,285,388; United Church, 2,017,375; Anglicans, 1,635,615; Presbyterians, 870,728; Baptists, 443,341; Lutherans, 394,194; Jews, 155,614; Greek Orthodox, 102,389; Mennonites (including Hutterites), 88,736; Salvation Army, 30,716.

Bulletin No. XXII gave the population by racial origins. British races numbered 5,381,071 or 51.86 per cent. of the total population. This compared with 4,868,738 or 55.40 per cent. in 1921. English numbered 2,741,419 or 26.42 per cent. of the total population; Irish, 1,230,808 or 11.86 per cent.; Scottish, 1,346,350 or 12.97 per cent., and French, 2,927,990 or 28.22 per cent. About 80 per cent. of the population in 1931 were of British and French racial stocks as compared with better than 83 per cent. ten years before. British races gained in the last decade by 10.52 per cent. as against 25 per cent. in the previous decade. The population of French origin increased by 19.38 per cent., approximately the same as in the previous decade.

Bulletin No. XXIX showed the birthplace of the population classified according to nativity of parents. In the case of 9,233,692 persons out of a total population of 10,376,786, nearly 89 per cent. had both parents either Canadian, British or foreign-born. 54.11 per cent. of fathers and mothers were native born; 18.87 per cent. British-born (Great Britain and possessions) and 15.98 per cent. foreign-born. The population having parents of "mixed

nativity" numbered 1,143,094 or a little over 11 per cent. of the total population. Of this number 4.13 per cent. had Canadian-born fathers and either British or foreign-born mothers and 4.26 per cent. had British fathers and either Canadian or foreign-born mothers, while only 2.45 per cent. were the offspring of fathers of alien birth.

A special Census of mental institutions was taken in connection with the decennial population Census of 1931 and its results were published in a bulletin issued in March, 1933. This showed that at June 1, 1931, the population in mental institutions was 31,172, of whom 17,021 were male and 14,151 female. 70.41 per cent. were Canadian-born.

Vital Statistics. The following table contains a condensed summary of births, deaths, infant and maternal mortality, and marriages in 1932 as given in a Preliminary Report of the Dominion Bureau of Statistics. Yukon and North-west Territories are not included. The figures for all deaths and for infant mortality both exclude still births:

Provinces	Population in Thousands	Living Births		All Deaths		Infant Mortality		Maternal Mortality		Marriages	
		No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population	No.	Per 1,000 Population
P.E.I.	89	2,027	22.8	1,051	11.8	132	65.1	13	6.4	456	5.1
N.S.	519	11,584	22.3	6,131	11.8	844	72.9	52	4.5	3,195	6.2
N.B.	413	10,810	26.2	4,554	11.0	774	71.6	63	5.8	2,380	5.8
Que.	2,910	82,216	28.3	33,088	11.4	7,744	94.2	421	5.1	15,117	5.2
Ont.	3,475	66,773	19.2	36,462	10.5	4,132	61.9	343	5.1	22,224	6.4
Man.	709	14,124	19.9	5,341	7.5	836	59.2	68	4.8	4,729	6.7
Sask.	933	20,769	22.3	6,036	6.5	1,320	63.6	102	4.9	5,772	6.2
Alta.	740	16,689	22.6	5,386	7.3	962	57.6	64	3.8	5,043	6.8
B.C.	704	10,151	14.4	6,141	8.7	475	46.8	54	5.3	3,598	5.1
Canada	10,492	235,143	22.4	104,190	9.9	17,219	73.2	1,180	5.0	62,514	6.0

The total number of illegitimate births in the Registration Area of Canada in 1932 was 8,407 and the percentage of illegitimate of all live births was 3.58. Illegitimate births were divided among the Provinces as follows: Prince Edward Island, 74; Nova Scotia, 636; New Brunswick, 370; Quebec, 2,433; Ontario, 2,824; Manitoba, 503; Saskatchewan, 648; Alberta, 582; British Columbia, 337. The total number of still births was 7,254 and the percentage of still births of total births was 3.0.

Among causes of death diseases of the heart were most numerous being 146 per 100,000 population. There followed cancer, 95; diseases of early infancy, 76; pneumonia, 67; diseases of the arteries, 65; tuberculosis of the respiratory system, 56; nephritis, 54; influenza, 40; diarrhoea and enteritis, 36; cerebral haemorrhage, embolism or thrombosis, 31; senility, 21; appendicitis, 14; diseases of the stomach, 13; congenital malformations, 13; diabetes melitus, 13; tuberculosis, other organs, 12; puerperal causes, 11; hernia, intestinal obstruction, 9; diseases of the prostate, 8; anaemia, 7; cirrhosis of the liver, 4; other diseases of the liver, 7; typhoid fever, 3; measles, 3; scarlet fever, 2; whooping cough, 5; diphtheria, 4; venereal diseases, 5; alcoholism, 1; epilepsy, 3; bronchitis, 4; simple meningitis, 4.

Deaths from cancer in 1932 numbered 10,014, of whom 4,932 were male and 5,082 female. They were divided among the Provinces as follows: Prince Edward Island, 128; Nova Scotia, 627; New Brunswick, 421; Quebec, 2,483; Ontario, 3,823; Manitoba, 670; Saskatchewan, 568; Alberta, 532; British Columbia, 762.

The number of deaths from external violence in 1932 (preliminary figures) was 6,611. This compared with 7,172 in 1931 and 7,478 in 1930. The rate per 100,000 population was 63 in 1932; 69 in 1931 and 73 in 1930. Suicides

numbered 1,020, as compared with 1,004 in 1931 and 1,010 in 1930. There were 157 homicides, as compared with 172 in 1931 and 214 in 1930. Deaths resulting from accidents numbered 5,434 or 52 per 100,000. Drownings exclusive of those occurring in land or air transportation, numbered 980 or 18 per cent. of the total of fatal accidents. Land transportation accounted for 1,586 deaths or 29 per cent. of the total. Of these, deaths in automobile accidents numbered 1,111 or 20 per cent. of all accidental deaths. Excluding those cases where an automobile was involved, there were 242 deaths in railroad and 44 deaths in street-car accidents. Eleven persons were killed in aeroplane and balloon accidents.

Education. In the education statistics of 1931 appearing in the Annual Survey of Education in Canada, published by the Dominion Bureau of Statistics, evidence of the economic reaction was stated to be more apparent among pupils than teachers. The recorded enrolment at Canadian educational institutions in 1931 was 2,542,747 and the cost of their support \$178,701,507. This represented an increase over the previous year of 2.1 per cent. in attendance and 8.1 per cent. in costs, the latter percentage increase being in the more advanced and more costly institutions. The school year ending in 1932 showed a further increase to 2,593,116 in enrolment but a decline to \$163,944,758 in expenditure. Teachers' salaries were everywhere lower, rural teachers particularly having had to make heavy sacrifices. Secondary enrolment continued its rapid ascent. Enrolment in 1932 was as follows: Ordinary day schools, publicly controlled, 2,169,621; privately controlled, 94,266; technical and vocational schools, publicly controlled, day courses, 64,406; publicly controlled, evening and correspondence, 126,219; business colleges, day courses, 12,426; business colleges, evening courses, 6,777; normal schools, 7,975; universities and colleges, preparatory courses, 23,057; university standard, 43,143; other courses at university, 26,223; schools for blind and deaf, 1,840; Indian schools, 17,163.

The Report of the Bureau on Higher Education in Canada in the academic year ended June, 1932, gave still further evidence of the effect of the economic situation on the activities of universities, colleges and professional schools. There was an enrolment of 43,143 students of university grade, an increase of 2,500 over 1931, and of about 55 per cent. over the enrolment of 1922. Including pre-matriculation and other students, total enrolment was 85,927 (1931, 77,618). Total assets of the universities and colleges of Canada was \$171,024,020; total income, \$18,791,842 and total expenditure, \$22,858,207.

National Research Council. The year 1932 saw the completion of the fifteenth year of the existence of the National Research Council (President, H. M. Tory, D.Sc., LL.D., F.R.H.S., and Secretary-Treasurer, S. P. Eagleson, Ottawa). The announcement contained in the Report of the Council for the fiscal year ended Mar. 31, 1932, that the new National Research Laboratories at Ottawa were practically completed, indicated that with improved facilities for research the future might see the achievement of even greater results by the Council than had the past.

The Report stressed, as an outstanding feature of the Council's activities during the period under review, the contact established with industrial development by means of associate committees, seven of which were in full operation at the end of the year. Associate committees of all kinds, co-operating with the Council in the organization and direction of important researches during 1931-32, numbered 30 and comprised 297 individuals. Two new committees were formed during the year: one was for the purpose of studying the effect of iodized salt in nutrition in connection with the health of the animals using it, and of determining, if possible, methods of securing a uniform mixture of the iodine with the salt; and the other was for the purpose of investigating possible sources of helium in Canada.

Assisted researches in progress during the year included, in addition to those continued from previous years, certain new subjects, such as: seed setting in alfalfa (Dr. W. P. Thompson); problems in dairy research (Dr. H. R. Thornton); barley as a food for poultry (Prof. M. C. Herner); fundamental researches on coal (Prof. Edgar Stansfield); means of releasing the potential fertility of Quebec podsol soils (Dr. R. R. McKibbin), development of automatic speed control equipment for wind tunnels (Prof. H. W. Price); field experiments with chemical herbicides (G. L. Godel); special grading of wool (W. H. J. Tisdale); testing of rust-resistant wheats, breeding and selection of disease-resistant barleys, relative feeding value of wheat, oats, barley and corn, special equipment for drying grain, and the reflection of radio waves at the time of the total eclipse (Associate Committees on Field Crop Diseases, on Grain Research and on Radio Research).

The Report stated that the Physical Testing Laboratory of the Department of the Interior, with staff, had been transferred to the Council during the year. Also, provision had been made in the new National Research Laboratories for the laboratories of the Electricity and Gas Inspection Branch of the Department of Trade and Commerce; this was planned in view of the fact that, under the Gas Inspection Act and the Electricity Inspection Act, the responsibility for setting up final standards in connection with gas and electricity measurement had been placed upon the Council. In order to dispense with the necessity of applying to laboratories outside Canada for the approval required for effecting the sale of oil burners and other fire equipment, for use in Canada, and for securing minimum insurance rates thereon, it was decided to establish oil burner testing laboratories in the laboratory system of the Council.

Gross receipts of the Council for the fiscal year ended Mar. 31, 1932, totalled \$556,832, of which \$478,000 was from Parliamentary Appropriation. Expenditures amounted to \$548,604, leaving the sum of \$8,228, which was refunded to the Receiver-General.

Dominion Government Appointments

1932

(July 1 to Dec. 31)

Office	Name	Date
Agriculture (Dominion), Deputy Minister of,.....	G. S. H. Barton, D.S.C.A.....	Oct. 8
Bankruptcy (Dominion), Superintendent of,.....	William J. Reilley.....	Sept. 14
Canadian National Railways, Director of,.....	Samuel J. Hungerford.....	July 26
Canadian Radio Broadcasting Commission, Chief Commissioner and Chairman of,.....	Hector W. Charlesworth.....	Oct. 5
Canadian Radio Broadcasting Commission, Vice-Chairman of,.....	Thomas Maher.....	Oct. 5
Canadian Radio Broadcasting Commission, Member of,.....	Lt.-Col. W. A. Steel, M.C.....	Oct. 5
Commissioner to investigate political partizanship charges against Dominion Government employees in the Province of Quebec.....	C. A. Parisault.....	July 26
Commissioner to investigate any and all complaints against His Honour Judge Lewis St. George Stubbs, by Judges of the Supreme Court of Manitoba or the Attorney-General of the said Province.....	Hon. Frank Ford.....	Nov. 30
Deputy of H.E. the Governor-General.....	Hon. Robert Smith.....	Nov. 7
Dominion Council of Health, Member of, (re-appointed—effective Sept. 1).....	Dr. J. G. FitzGerald.....	Aug. 23
Dominion Council of Health, Member of,.....	Frank McKenna.....	Oct. 25
Excise, Commissioner of,.....	Hugh Day Scully.....	Sept. 7
Finance for Canada, Deputy Minister of, and Receiver-General.....	William C. Clark, M.A.....	Oct. 24
Harbour Commissioners of Montreal, Member of the Board of,.....	Alphonse Raymond.....	Oct. 6
Honorary Aide-de-Camp to H.E. the Governor-General.....	G. L. Jennings, O.B.E., (Hon. Lieut.-Col. C. M.).....	Dec. 3
Income Tax, Commissioner of,.....	Colin Fraser Elliott, K.C.....	July 20
Indian Affairs, Deputy Superintendent-General of,...	Harold W. McGill, M.C., M.D.....	Oct. 13

Office	Name	Date
Chief Justice of the Court of King's Bench for Quebec	Hon. Joseph M. Tellier	Sept. 21
Judge of the County Court for Dist. No. 4, of King's, Hants, and Colchester of Nova Scotia	Herbert Warren Sangster, K.C.	Aug. 23
Judge of the County Court of Oxford, and Local Judge of the High Court of Justice of Ontario	Finlay Ewart Perrin, K.C.	Dec. 1
Judge of the County Court of Victoria and Haliburton and Local Judge of the High Court of Justice for Ontario (effective Dec. 1)	Richard D. Ponton, K.C.	Oct. 31
Judge of the Court of Divorce and Matrimonial Causes of New Brunswick	Hon. Ward C. H. Grimmer	Oct. 7
Judge of the High Court of Justice for Ontario	Patrick Kerwin, K.C.	Sept. 27
Judge of the High Court of Justice for Ontario	Arthur Courtney Kingstone, K.C.	Aug. 26
Judge (Local) in Admiralty of the Exchequer Court for the Toronto Admiralty District	His Honour Frank M. Field	Dec. 7
Judge (Puisne) of the Court of King's Bench for Quebec	Joseph Leon St. Jacques, K.C.	Sept. 21
Judge (Puisne) of the Court of King's Bench for Quebec	Hon. Joseph Charles Walsh	Aug. 23
Judge (Puisne) of the Superior Court for Quebec	Francis Joseph Curran, K.C.	Aug. 23
Judge (Puisne) of the Superior Court for Quebec	Wilfrid Laliberté, K.C.	Aug. 23
Judge (Puisne) of the Superior Court for Quebec	E. M. W. McDougall, K.C.	Dec. 2
Judge (Puisne) of the Supreme Court of Canada	Hon. Oswald S. Crocket	Sept. 21
Medical Council of Canada, Member of (to Nov. 26, 1936)	Andrew W. Argue, M.A., M.D.	Nov. 24
Medical Council of Canada, Member of (to Nov. 26, 1936)	Campbell Laidlaw, M.D., F.R.C.P.C.	Nov. 24
Medical Council of Canada, Member of (to Nov. 26, 1936)	F. B. Patterson, M.D., F.R.C.S. (Ed.)	Nov. 24
National Defence for Canada, Deputy Minister of	Lt.-Col. Léo R. Lafèche, D.S.O.	Nov. 2
Ontario, Lieutenant-Governor of the Province of	Col. Herbert A. Bruce, R.A.M.C., M.D., F.R.C.S. (Eng.), L.R.C.P.	Oct. 25
Secretary of State, Acting, (during the absence of the Honourable the Secretary of State of Canada)	Rt. Hon. Sir G. H. Perley	Oct. 5
Senate of Canada, Member of, (Quebec)	Joseph H. Rainville, LL.B.	Oct. 6
Senate of Canada, Member of, (Quebec)	A. J. Brown, K.C., LL.D.	Oct. 6

1933

(Jan. 1 to June 30)

Office	Name	Date
Civil Service Commission of Canada, Member of, (effective Apr. 1)	Charles Heber Bland	Apr. 3
Commissioner to investigate political partizan-ship charges against Dominion Government employees in the Province of New Brunswick	Paul C. Quinn	Apr. 8
Commissioner to investigate political partizan-ship charges against Dominion Government employees in the Province of Quebec	Guy Guilbault	June 28
Dominion Council of Health, Member of, (later resigned)	Mrs. Helen Hooper	May 31
Dominion Council of Health, Member of	Mrs. Helen Vincent	June 9
Dominion Council of Health, Member of	Mme. M. Gerin-Lajoie	June 9
Historic Sites and Monuments Board of Canada, Member of	Hon. E. F. Surveyer	Jan. 17
Honorary Aide-de-Camp to H.E. the Governor-General	Col. H. C. Osborne, C.M.G., V.D.	June 2
Chief Justice of Canada	Rt. Hon. Lyman Poore Duff	Mar. 17
Judge of the County Court of Northumberland, Gloucester and Restigouche, New Brunswick	Joseph Lawrence Ryan	Apr. 13
Judge of the County Court of Prince Rupert and Local Judge of the Supreme Court of British Columbia	William Edward Fisher	Jan. 24
Judge of the County Court of Vancouver and Local Judge of the Supreme Court of British Columbia	Andrew M. Harper	Jan. 30
Judge (Junior) of the County Court for the Eastern Judicial District of Manitoba	Joseph Bernier	June 2

Office	Name	Date
Judge (Senior) of the County Court for the Eastern Judicial District of Manitoba.....	Henry Walter Whitla, K.C.....	June 2
Judge of the High Court of Justice for Ontario...	Eric Armour, K.C.....	Mar. 17
Judge of His Majesty's Court of King's Bench for Manitoba.....	Fawcett Gowler Taylor, K.C. ¹	Mar. 28
Judge of the King's Bench Division of the Supreme Court of New Brunswick.....	Hon. Charles Dow Richards, K.C.....	June 2
Judge (Puisne) of the Superior Court for Quebec...	Noel Belleau, K.C.....	Jan. 17
Judge (Puisne) of the Supreme Court of Canada...	Frank Joseph Hughes, K.C.....	Mar. 17
Judge (Puisne) of the Superior Court of Quebec for the District of Montreal.....	Hon. Joseph Archambault.....	Feb. 1
Judge (Puisne) of the Superior Court of Quebec for the Judicial District of St. Francis.....	Hector Verret, K.C.....	Feb. 1
Justice of the Court of Appeal and <i>ex officio</i> a Judge of the High Court of Justice for Ontario.....	Henry Hague Davis, K.C.....	Jan. 5
Justice of the Peace for the purposes of the National Parks Act.....	Percy John Jennings.....	Feb. 25
Justice of the Peace for the purposes of the National Parks Act.....	Joseph Luke Horsfall.....	Feb. 25
Librarian, Parliamentary (Joint Commission)...	Hon. Martin Burrell.....	Feb. 11
Librarian of Parliament, General, (Joint Commission).....	Felix Desrochers, K.C.....	Feb. 11
National Gallery of Canada, Member of the Board of Trustees of.....	Elmer Bigelow Hosmer.....	Feb. 25
National Research Council, Member of (to Mar. 31, 1936).....	G. S. H. Barton, D.S.C.A.....	May 1
National Research Council, Member of (to Mar. 31, 1936).....	Charles Camsell, B.S.C., F.R.S.C.....	May 1
National Research Council, Member of (to Mar. 31, 1936).....	A. L. Clark, B.S.C., PH.D., F.R.S.C.....	May 1
National Research Council, Member of (to Mar. 31, 1936).....	A. Frigon, B.S.C., D.S.C., A.M.E.I.C.....	May 1
National Research Council, Member of (to Mar. 31, 1936).....	Julian C. Smith, M.E., LL.D.....	May 1
Tariff Board, Chairman of.....	Hon. George H. Sedgewick.....	Feb. 6
Tariff Board, Vice-Chairman of.....	Milton N. Campbell, M.P.....	Feb. 6
Tariff Board, Member of.....	Charles Hebert.....	Feb. 6
Wild Life Protection Advisory Board, Member of...	Harold W. McGill, M.C., M.D.....	Mar. 7

The Dominion of Canada

The Governor-General His Excellency the Rt. Hon. the Earl of Bessborough, P.C., G.C.M.G.

The Canadian Ministry (Conservative)

(As at June 30, 1933)

Prime Minister, President of the Privy Council,	
Secretary of State for External Affairs.....	Rt. Hon. R. B. Bennett, P.C., K.C., LL.D.
Minister without Portfolio.....	Rt. Hon. Sir George H. Perley, G.C.M.G.
Minister without Portfolio.....	Rt. Hon. Arthur Meighen, K.C.
Minister of Justice and Attorney-General.....	Hon. Hugh Guthrie, K.C.
Minister of Finance.....	Hon. E. N. Rhodes, K.C.
Minister of Trade and Commerce.....	Hon. H. H. Stevens, LL.D.
Minister of Railways and Canals.....	Hon. R. J. Manion, M.C., M.D.
Minister of National Revenue.....	Hon. E. B. Ryckman, K.C.*
Minister without Portfolio.....	Hon. J. A. Macdonald
Postmaster-General.....	Hon. Arthur Sauvé
Minister of Pensions and National Health.....	Col. the Hon. Murray MacLaren, C.A.M.C.
Minister of Public Works.....	Hon. H. A. Stewart, K.C.
Secretary of State.....	Hon. C. H. Cahan, K.C.
Minister of National Defence.....	Lt.-Col. the Hon. D. M. Sutherland, M.B.
Minister of Marine and Acting Minister of Fisheries.....	Hon. Alfred Duranleau, K.C.
Minister of Interior and Superintendent-General of Indian Affairs.....	Hon. Thomas G. Murphy
Solicitor-General.....	Hon. Maurice Dupré, K.C.
Minister of Labour; Minister of Mines and Acting Minister of Immigration and Colonization.....	Hon. W. A. Gordon, K.C.
Minister of Agriculture.....	Major the Hon. Robert Weir

Speaker of the House of Commons..... Hon. George Black, K.C.

*NOTE.—See next page for new appointment.

Deputy Heads of Departments

Clerk of the Privy Council	Ernest J. Lemaire
Clerk of the Senate	Austin E. Blount, C.M.G.
Clerk of the House of Commons.....	Arthur Beauchesne, LL.D., LITT.D., K.C.
Governor-General's Secretary	A. F. Lascelles, M.V.O., M.C.
Auditor-General	Georges C. Gonthier, C.A.
Deputy Minister of the Interior	H. H. Rowatt
Deputy Minister of Public Works	J. B. Hunter, B.A.
Deputy Minister of Trade and Commerce.....	Major James G. Parmelee, O.B.E.
King's Printer	(Vacant)
Under-Secretary of State.....	Thomas Mulvey, K.C.
Deputy Minister of National Defence	Lt.-Col. L. R. Laflèche, D.S.O.
Deputy Minister of Marine	(Vacant)
Deputy Minister of Fisheries	W. A. Found
Deputy Superintendent-General of Indian Affairs...	Harold W. McGill, M.C., M.D.
Deputy Minister of Railways and Canals.....	Valentine I. Smart
Deputy Minister of Agriculture	George S. H. Barton, D.S.C.A.
Deputy Minister of Pensions and National Health...	(Vacant)
Deputy Minister of Finance	W. Clifford Clark, M.A.
Deputy Minister of Mines	Charles Camsell, LL.D., F.R.S.C.
Deputy Postmaster-General	L. J. Gaboury, B.A.
Deputy Minister of Labour	H. H. Ward
Deputy Minister of Immigration and Colonization...	W. J. Egan
Superintendent of Insurance.....	G. D. Finlayson, B.A.
Deputy Minister of Justice	W. Stuart Edwards, K.C.
Under-Secretary of State for External Affairs.....	O. D. Skelton, M.A., PH.D., LL.D.
Commissioner of Customs	R. W. Breadner
Commissioner of Excise	Hugh D. Scully
Commissioner of Income Tax	C. Fraser Elliott, K.C.
Registrar of the Supreme Court.....	J. F. Smellie, K.C.
Dominion Archivist	A. G. Doughty, C.M.G., LL.D.
Chairman, Civil Service Commission.....	Hon. W. J. Roche, M.D., LL.D.
Civil Service Commissioner.....	Charles H. Bland
Commissioner Royal Canadian Mounted Police.....	Major-General J. H. MacBrien
Parliamentary Librarian	Hon. Martin Burrell, P.C.
General Librarian	Felix Desrochers, K.C.
Chief Electoral Officer.....	Jules Castonguay

Other Chief Dominion Officers

Dominion Statistician	R. H. Coats, B.A., F.S.S. (Hon.), F.R.S.C.
President, National Research Council.....	H. M. Tory, M.A., D.Sc., LL.D., F.R.S.C., F.R.H.S.
Surveyor-General	F. H. Peters
Commissioner of National Parks.....	J. B. Harkin
Chief Commissioner, Board of Railway Commis- sioners	Hon. G. P. Fullerton, K.C.
Chief Commissioner, Board of Grain Commissioners...	E. B. Ramsay
Comptroller of the Treasury.....	Watson Sellar

NOTE,—His Majesty's New Year's Honours List (Jan. 1, 1934), contained the names of the following Canadians:

Knight Grand Cross of the Order of St. Michael and St. George (G.C.M.G.; addressed as "Sir"), Rt. Hon. Lyman P. Duff, Chief Justice of the Supreme Court of Canada.

Knight Bachelor (K.B.; addressed as "Sir"), Hon. Joseph Matthias Tellier, Chief Justice of the Court of King's Bench, Quebec.

Companion of the Order of St. Michael and St. George (C.M.G.), Arthur Beauchesne, LL.D., LITT.D., K.C., Clerk of the House of Commons; R. W. Breadner, Tariff Adviser to the Finance Ministry (Dec. 30, 1933); Thomas Mulvey, K.C., former Under-Secretary of State; and H. H. Rowatt, former Deputy Minister of the Interior.

The Order of the British Empire (C.B.E., O.B.E., M.B.E.), was bestowed upon a number of prominent Canadian women as well as upon John Guy (M.B.E.), Confidential Messenger to the Governor-General's Office at Ottawa.

Dominion Government Appointments
(after June 30, 1933)

Lieutenant-Governor of Prince Edward Island. Upon the death of Hon. Charles Dalton, Lieutenant-Governor of Prince Edward Island, George Desbrisay DeBlois was appointed on Dec. 28, 1933, to that office.

Canadian Ministry. Owing to the resignation of Hon. E. B. Ryckman on Nov. 30, 1933, due to ill-health, Mr. R. C. Matthews, M.P. (Toronto, East Centre), was appointed as his successor and was sworn into office on Dec. 6, 1933. (Mr. Ryckman's death occurred in Toronto on Jan. 11, 1934).

Senate of Canada. New appointments to the Senate were announced on Dec. 30, as follows: Hon. Guillaume André Fauteux (Quebec); Lucien Moraud, K.C., (Quebec); Horatio Clarence Hocken, (Ontario); Alfred Ernest Fripp, K.C., (Ontario); Louis Côté, K.C., (Ontario); Ralph Byron Horner, (Saskatchewan); Walter Morley Aseltine, K.C., (Saskatchewan).

Deputy Heads and Other Officers. Deputy Minister of Pensions and National Health, Robert Elmer Wodehouse, O.B.E., M.D., D.P.H., appointed Sept. 13, 1933 (effective Oct. 1); Under-Secretary of State and Deputy Registrar-General, Ephraim Herbert Coleman, K.C., appointed Sept. 16 following the resignation of Thomas Mulvey, K.C.; King's Printer and Comptroller of Stationery, Joseph Oscar Patenaude, appointed Sept. 16; Commissioner of Customs, Hugh Day Scully, appointed Dec. 30; Commissioner of Excise, David Sim, appointed Dec. 30; Deputy Minister of Labour, William Murray Dickson, appointed Jan. 17, 1934, following the resignation of H. H. Ward.

THE PROVINCE OF ONTARIO.

A New Lieutenant-Governor; the Conservative Administration; Party Politics

Before the end of 1932 a new representative of His Majesty had assumed office in Ontario. On Oct. 25 the appointment was announced from Ottawa of the eminent Toronto surgeon, Colonel Herbert Alexander Bruce, R.A.M.C., M.D., F.R.C.S. (ENG.), who served during the Great War with the Canadian Army Medical Corps Expeditionary Force, later as Inspector-General of the Canadian Medical Services and, finally, until the end of the War, as Consulting Surgeon to the British Armies in France. Colonel Bruce, who was sworn in as Lieutenant-Governor at Toronto on Nov. 2, succeeded Hon. W. D. Ross, whose term had expired in January, 1932, but who had been granted leave of absence two months previously.

The period under review (July 1, 1932, to June 30, 1933), the third year of the disturbed economic situation throughout the world, was notable in Ontario for the number of important agreements entered into by the Province, for the completion of several large enterprises and for the inauguration of new policies by the Government. On July 11, 1932, an Agreement was signed by the Dominion and Ontario Governments relative to the construction of and payment for the necessary navigation and power works in the International Section of the St. Lawrence River, preliminary to the signing of a Treaty between Canada and the United States a week later. Subsequently, the Prime Minister of Ontario, Hon. George S. Henry, in a statement to the Press, intimated that the Province would have available, on the completion of the works, an output of 1,000,000 h.p. at an ultimate expenditure of \$120,000,000. On July 15, Mr. Henry and other members of the Cabinet officiated at the opening ceremonies of the completion of the last link of the northern extension of the Temiskaming and Northern Ontario Railway. With the Government party were Hon. Francis R. Latchford and Mr. E. C. Drury. The former, as Commissioner of Public Works during the Liberal *régime* of Hon. G. W. Ross, had driven the first spike of the Railway in 1902. Mr. Drury, as Prime Minister in the Farmer-Labour Government, had driven the first spike of the James Bay extension at Cochrane in 1921. In the same month (July, 1932) began the negotiations between the Provincial Government and the Abitibi Power and Paper Company which eventually terminated in the acquisition of the Ontario Power Service Corporation, part of whose assets was an unfinished power project on the Canyon River in Northern Ontario, by the Hydro-Electric Power Commission of

Ontario. The consensus of opinion was that the purchase was a favourable one for the Province—it meant cheap power, so essential to the development of the mining and other industries of the northern section of the Province. The terms of the transaction, however, were the target for Opposition criticism in the Legislature during the 1933 Session. The completion of another Ontario enterprise and one that provided work for many in need, was the final link of a 65-mile-stretch of highway from Actinolite to Perth, the Prime Minister (Hon. George S. Henry) and the Minister of Highways (Hon. Leopold Macaulay) officiating at the opening of the road on Aug. 24.

The major concern of the Provincial Government throughout the twelve months was the care of those citizens of Ontario, steadily increasing in numbers, who were directly in need of public assistance; at the end of 1932 the total was estimated at 80,000 families as compared with 60,000 in 1930, all of whom were dependent, to some extent, on relief services. The original policy of the Ontario Government (in 1930) in this direction had been mainly the construction of public works and, in addition, a small amount of direct relief. Expenditures on works in the Province for the year 1930-31 had been approximately \$13,000,000, one-half borne by the Municipalities concerned and the balance equally shared between the Dominion and the Provincial Governments. The following year (1931-32) a change in policy became necessary owing to the financial difficulty of some of the Municipalities in maintaining their share of the obligation. Work on the Ontario portion of the Trans-Canada Highway had been undertaken, as many as 40,000 individuals being, at the peak of employment, on the Provincial payroll, though not all at one time. In Northern Ontario alone \$25,000,000 of the total public works' expenditure of \$35,000,000 had been spent by the Dominion and Provincial Governments. During 1932-33 a more pronounced policy of direct relief was inaugurated. A Committee with Wallace R. Campbell as Chairman, was appointed in June (1932) by the Provincial Government to study and report on an improved Provincial policy in administrative methods of such a system. Some of the more important recommendations of the Committee, whose Report (see *The Canadian Annual Review*, 1932, page 106) was presented to the Government at the end of July, were embodied in an Order-in-Council passed on Sept. 19, 1932, but not made public until a week later. The provisions of the measure called for (1) registration of all applicants for relief—heads of families and others—with the municipalities in which they were resident, each to receive a residence certificate card which, in the event of change of settlement, would be presented to the municipality in which new residence was acquired, when a new certificate would be issued; (2) monthly statements of relief expenditures by municipalities and an audit of their books at any time the Minister-in-charge might see fit. The Order-in-Council specially defined certain items: a maximum amount per month per family of \$16 for shelter, including

water and light; payment of medical services not to exceed one-half of the standard medical charge existing in the municipality or locality; expenditure for food to be 60 per cent. and for fuel, clothing, shelter, medical services and supplies, 40 per cent., of the total monthly amount for direct relief. The Province's contribution to direct relief was to be maintained at the previous year's figure of $33\frac{1}{3}$ per cent. of the total, with the proviso that this amount might be increased to any municipality that was not able to carry the burden. Some days later the Prime Minister announced that the Government had completed arrangements with the boot and clothing manufacturers whereby municipalities of Ontario would be able to secure, if they desired, wearing apparel and footwear for distribution to their unemployment relief charges at regular manufacturers' prices. The Cabinet Committee, headed by Hon. J. D. Monteith, Minister of Public Works and Labour, which had functioned the previous year, was active again during 1932-33, the Committee which had conducted the Inquiry continuing to act in an advisory capacity.

Speaking on Jan. 12, 1933, before the Business Men's Liberal-Conservative Association at Toronto, the Prime Minister (Mr. Henry) stated that he was not so much concerned with the increasing volume of expenditure on relief as he was with the effect the principle might be having on the morale of the people. He called upon all citizens of the Province "to show your interest in our problem . . . to give leadership . . . to steady the people generally, to help them keep their feet solidly on the ground, to prevent them from losing their heads and following the various isms that allegedly have been designed to cure the ills of the body politic overnight."

General welfare work, exclusive of relief, was supplemented by the Government during the year 1932-33. The Minister of Health, Hon. J. M. Robb, M.D., announced on Aug. 24, 1932, that recommendations of the Royal Commission on Cancer were being implemented by the establishment of the first of the cancer treatment centres in the former Pathological Building of the Toronto General Hospital. Similar centres were also being planned for Kingston and London. During the 1932 Session legislation was enacted authorizing such Government action with regard to Toronto and Kingston.

With a view to the development of the agricultural industry and the extension of markets for Provincial products, schemes were launched and new regulations were put into force by the Government during the year. These were announced from time to time by the Minister of Agriculture, Col., Hon. T. L. Kennedy. After a year's consideration by the Department and the Ontario Marketing Board, a five-year plan of reorganization of the dairy industry was inaugurated in the Summer of 1932. As outlined by the Minister, the plan was to place the manufacture and sale of cheese and butter on a huge co-operative basis, reduce the overhead by the elimination of small factories, increase the volume of milk production, create central storage houses and build up a selling organiza-

tion. The Minister stated that in England there was a market for Ontario cheese which, in the matter of volume, "we have never been able to satisfy"; that the Government proposed to fill that market as well as the domestic market by a plan which "in my opinion, will revolutionize the entire dairy industry." In order to provide an incentive to farmers to produce special grades of cream, new regulations were put into force by the Department of Agriculture on Sept. 20, elevating the cream price limit. According to an announcement on Aug. 2, a new joint policy had been adopted by the Province and the Dominion with a view to improving the standards of bacon production. It called for the establishment of an advanced register of sows; an owner of a boar secured from the register showing the right conformation would receive a bonus of \$15 from the Governments. Another scheme expected to rehabilitate the live stock industry in Ontario, was an arrangement by the Ontario Government in September (1932), somewhat similar to one attempted in the previous year, with the Canadian Bankers' Association, whereby farmers desiring to purchase Western feeder cattle might borrow money at 6 per cent. interest; thus the abundance of cattle feed in Ontario could be utilized by farmers who had hitherto lacked the money to buy the animals. Printed application forms were sent out to every bank branch in Ontario and farmers wishing to avail themselves of the opportunity of borrowing money were called upon to fill out the form and return it to the Department where the export of cattle to Ontario from the Western Provinces was supervised. Unlike some of the other Provinces, no change was made by the Government of Ontario in their policy of making loans to farmers through the Provincial Agricultural Development Board. Such an announcement was made by the Minister of Agriculture on Jan. 27, 1933.

Provincial financing during the twelve-month period included the placing of two loans on the market. On July 4, 1932, a \$20,000,000, 14-year, 5½ per cent. bond issue at 97, was offered direct to the public by the Government, instead of through investment houses. It was understood that the entire \$20,000,000 had been taken up inside Ontario. On June 1, 1933, an issue of \$25,000,000 was placed on sale by the Treasury. \$10,000,000 of this amount was a short-term issue of 4 per cent. serial debentures in denomination of \$1,000 only; this was disposed of six hours after its presentation to the public; the balance was a long-term issue of \$15,000,000 of 4½ per cent. 17-year debentures due 1950, which was available in denominations of \$100, \$500 and \$1,000.

The Government was successful in putting through the Legislature during a two months' Session (from Feb. 15 to Apr. 18) several important measures; these reduced by 22 seats representation in the Legislative Assembly; confirmed the Abitibi Canyon Power project purchase; extended the 1932 Mortgage Moratorium Act; authorized the Agreements with the Dominion Government for employment, direct relief and land settlement as well as the disbursement of

moneys received from the Dominion Government for such purposes, and validated Orders-in-Council pertaining thereto. Among other enactments of the Session were Amendments to the Voters' List Act and the Election Act. The Public Accounts for the fiscal year 1931-32 showed drastic reductions in all Departmental Services and a further decrease was visible for the year 1932-33. The aim of the Budget Committee, a board set up in the Autumn of 1932, was, for the year 1933-34, a further reduction in all Departmental Services; it was announced, in particular, that grants to all grades of schools were to be cut 20 per cent. In this latter connection, Mr. Henry as Minister of Education, had previously stated that he did not anticipate any depreciation in the standards of education by this reduction, if proper co-operation from the various school boards were extended. The Leader of the Liberal Opposition early in the Session promised his co-operation in all matters pertaining to the welfare of the people; at the same time he voiced strong criticism of the Government's intention to reduce school grants. The aggressive tactics of the Progressive group throughout the Session were particularly marked. Besides the Debates on the Address-in-Reply to the Speech from the Throne and the Budget Speech there was a heated debate at second reading of the Abitibi Canyon Power Bill. Discussion of the Representation Bill, which was referred to a Committee of the House for consideration and which was the most important piece of legislation of the Session, was interrupted for a time by the absence of the Prime Minister during a two weeks' illness from which he recovered in time to take over the duties of the Provincial Treasurer (Hon. E. A. Dunlop) and to deliver the Budget Speech on Mar. 23; Mr. Dunlop's enforced absence, owing to illness, which, some months later, proved fatal, continued throughout the Session.

A sensational note was introduced into the proceedings of the Legislature by a Question on the Order Paper by H. C. Nixon, Leader of the Progressive Party, which the Prime Minister was to answer before the introduction of the Abitibi Canyon Power project Bill on Apr. 5. It referred to the holding of Ontario Power Service Corporation bonds by the Prime Minister and others. Press comments on the situation contained surmises as to the probable resignation of Mr. Henry, reports having been freely circulated that bonds of the Corporation were held by him. Following a caucus of Conservative Members shortly before his appearance in the House on the 5th an announcement was made by the Conservative Whip that Mr. Henry had the full support of his followers. The Prime Minister's statement as to his position: that he owned \$25,000 bonds of the Ontario Power Service Corporation which had been purchased long before the commencement of negotiations for the acquisition of the Abitibi Canyon power project; and that he could not dispose of them because he had obtained confidential information, by reason of his office, as to the financial status of the corporation, exonerated him from any imputation that personal consideration had been

allowed to enter into the transaction. Describing the reception given to Mr. Henry's explanation to the House, *The Globe*, Toronto, (Apr. 6, 1933) said, that as tribute to his personality, "In caucus Mr. Henry was applauded by his fellow-Conservatives. In the House he was applauded by all Parties, with over-flowing galleries looking on, after he explained how he purchased and held \$25,000 in Abitibi bonds."

Party Politics. There were no By-Elections in Ontario during the twelve months ending June 30, 1933. On various occasions both the Leader of the Provincial Liberal Party, Mitchell F. Hepburn, M.P., and the Leader of the Progressive Party, H. C. Nixon, who had formed an alliance in the early months of 1932 as an Opposition in the field of Provincial politics, raised the question as to the legality of a five-year term for the Conservative Government; they stated that the 1930 Amendment to the Legislative Assembly Act extending the four-year term of the Legislature to five years did not apply to the Eighteenth Legislature; therefore, the Prime Minister should appeal to the electorate following the close of the 1933 Session. This alleged meaning of the Act was denied by Conservative leaders: statements of Hon. G. Howard Ferguson, Provincial Prime Minister at the time, and issues of both Conservative and Liberal newspapers were quoted in refutation of the Liberal-Progressive claim, as well as legal opinion.

Conservative and Liberal Conventions were held in November, 1932; there were also smaller group gatherings during the year which were addressed by their Leaders. Associated with Mr. Hepburn and Mr. Nixon in their speaking tours was Arthur G. Slaght, K.C., of Toronto, who had represented both Leaders during the hearings of the Royal Commission of Inquiry of 1932 into certain matters pertaining to the Hydro-Electric Power Commission of Ontario. Another entrant in the Provincial field of politics during this period was Capt. Elmore Philpott, M.C. and bar, who retired from the editorial staff of *The Globe*, Toronto, in February, 1933, with the expressed intention of bringing about "full and friendly team-play between the Liberal Party and the C.C.F."

At the Eleventh Annual Convention of the Ontario Liberal-Conservative Association at Toronto on Nov. 9 the Prime Minister of Canada and the Prime Minister of Ontario were the principal speakers. A comprehensive survey of the policy of his Administration was given by Mr. Bennett, with particular reference to the Trade Treaties concluded at the Imperial Economic Conference in July (1932). These, he stated, were not made with a view to shutting out avenues of trade beyond the Empire, but "when and wherever goods can be purchased from the British Empire, we prefer to take them from the British Empire." While admitting that some of the Dominion's tariffs were high, he assured his hearers that under normal conditions they would be reduced—against Great Britain. In the course of his address, Mr. Bennett pointed out the tremendous difficulties which had faced him upon his inception into office two years previously, such as the railway deficit of nearly \$100,000,000, an adverse trade balance of more than \$100,000,000 and unemployment, as well as problems which later beset him, especially, the question of whether or not Canada should follow Great Britain's example in abandoning the Gold Standard. In spite of them all "the credit of Canada has been preserved to an extent that it stands pre-eminent among the nations of the world," in the accomplishment of which, the Dominion Prime Minister declared, Ontario's contribution of its gold at the rate of almost a million dollars weekly, was a prime factor.

Mr. Henry's address was devoted mainly to the subject of the Hydro-Electric Power Commission of Ontario. He issued an appeal to the people of the Province to exercise the responsibility which, he claimed, they owed in this connection; that is, in the support of public ownership. "Hydro can-

not be maintained," he declared, "if it is subjected to the continual political criticism such as it has experienced in the past few years," and which had necessitated the appointment of two Royal Commissions of investigation, involving the Province in much needless expense. Although admitting that Ontario had, by purchases in Quebec, acquired more power than it could use at that time, Mr. Henry maintained, nevertheless, that the contrary would be the case "when industry starts up again on its normal course, when trade becomes buoyed with the advantages from the Imperial Economic Conference agreements." He defended the purchase of the Abitibi Canyon development, claiming that by buying it at the lowest possible price, cheap power was secured for the mining industry—an important factor in the development of Northern Ontario. The Provincial Prime Minister, as Mr. Bennett had done, mentioned briefly some of the outstanding features of his administration since taking office and pointed out that during the previous fiscal year expenditures had been reduced by almost \$5,000,000 without curtailing any of the necessary services provided for the people of the Province.

A month previous (Oct. 5), at an inaugural meeting at Brockville of the Eastern Ontario Liberal-Conservative Association, a consolidation of all eastern district organizations had been effected. The Provincial Prime Minister (Mr. Henry) and other members of the Cabinet were present and addressed the gathering. Mr. Henry answered Opposition criticism as to power purchases; expressed faith in the St. Lawrence Waterway Treaty; told of the suggestion given to school boards that the greatest economy should be practised without disturbing the efficiency of administration of the schools; expressed sympathy for the heavily-taxed people in the Province but could not, he said, regret to any extent, the expenditure on roads in the past. He believed that at the end of the economic crisis the expenditure would be looked upon as a good investment. Speaking of the Liquor Control Act, the Prime Minister corrected what he termed a misrepresentation or misunderstanding of a statement he had made before a recent deputation of Ontario hotel-keepers. The policy of the Ontario Government, he said, was to continue the Act as it stood. "The private sale of liquor will not be countenanced by the present Government of this Province." J. F. Sowards, Kingston, was elected President of the new organization.

An aftermath of the 1933 Session was the withdrawal on May 9, from the Leadership of Mr. Henry (Prime Minister), though not from the Conservative ranks, of James Lyons, Conservative Member for Sault Ste Marie and a former Minister of Lands and Mines in the Ontario Cabinet during the Administration of Hon. G. H. Ferguson. Mr. Lyons, in the course of a speech in the House, had indicated his belief that the time had come for a change of attitude by the Government toward the liquor question. In his letter of resignation to W. H. C. Brien, President of the Liberal-Conservative Association of Sault Ste Marie, which appeared in the Press, Mr. Lyons demanded an immediate Party Convention to settle the question of new Leadership. He gave as the reason for such action, the failure of the Prime Minister to inaugurate "aggressive and instructive policies adopted by our former outstanding leaders" and his "evasive handling of public questions" such as the Abitibi Canyon Power project and the developments arising therefrom in connection with the Ontario Power Service Corporation bonds. At the same time he stated that he held "in the highest respect, the Prime Minister's honesty and integrity." A seven-plank platform, the adoption of which he intended to press at the Convention, if held, was contained in his letter of resignation: (1) maintenance of the principle that no Minister of the Crown should have any entanglements whatsoever in corporations serving the public, as owners of stocks, bonds, etc.; (2) the right of the Legislative Assembly to full financial details each year of salaries of commissioners and employees connected with any Government activity; (3) the frank and open discussion by the Prime Minister with his Cabinet Ministers of all public questions; (4) a business administration and a reduction in current expenditures with less thought of party politics; (5) a definite unemployment relief policy, aimed at providing work instead of direct relief; (6) relief of

the existing burden of taxation by providing greater revenue from non-essentials and excessive profits and earnings; (7) adoption of a liquor policy along the lines of the Quebec Liquor Law, permitting the retail sale of light alcoholic beverages.

At Mitchell, on June 28, 1933, Mr. Henry definitely stated his intention to continue his leadership of the Conservative Party and of the Government. With this pronouncement was coupled a short review of his administration since accepting the office in December, 1930. It was his first public address since the close of the Legislature on Apr. 18 and *The Mail and Empire*, Toronto, in its summary, stated that it was generally understood that the Prime Minister's remarks, although they gave no indication as to when the next Election would be held, contained certain lines of policy after which his followers might pattern in the General Election campaign. Referring to the matter of his ownership of a \$25,000 block of Ontario Power Service Corporation bonds, Mr. Henry expressed himself as "entirely satisfied" to leave in the hands of the public the decision as to whether he was right or wrong. "So long as my mind and conscience are clear," he said, "I don't care a rap if people accuse me of not being slick enough for a politician." Speaking of the back-to-the-land scheme in Ontario, he stated that it had been recognized from the start as a laudable enterprise. On debenture issuing, Mr. Henry declared that the Government, recognizing that too much short-term borrowing was not healthy, from time to time sought to put some of this into long-term funds. The Government, he said, was economizing and cutting down to the very bone while at the same time maintaining efficient services. Expenditures were reduced "this year" by \$4,350,000. He gave his opinion that the Abitibi Canyon development had been bought for many millions less than cost of construction. The Province he declared, would have no difficulty in selling out at the purchase price if it so desired. Referring to the charge that the Government were paying millions more for horse power than was needed, Mr. Henry declared that "recent months have given an indication the power load is on the increase."

Continuing, the Prime Minister stated that the previous two years had been the most strenuous in his life. "I should be less than human if I did not feel solicitude and anxiety for the sufferings of many of our citizens. I have striven with all the energy at my command, working for longer hours than any trade union would tolerate, to meet our problems and direct affairs in the wisest possible way. I have had little or no time for vacations but early this year I found it advisable to rest up for two weeks, although still in touch with all Government problems." Speaking of his political opponents, the Prime Minister declared that Canada was not going to be driven to "desperate measures." The C.C.F., he stated, was out to rally the Socialists and the Communists and all their sympathizers into one camp. He demanded that the Leaders of the Liberal and Progressive Parties state their position with regard to the repeal of Section 98 of the Criminal Code advocated by the C.C.F. group. It should be appreciated, he said, that "we are passing through a critical period in our history . . . which has . . . destroyed in many countries the basis of credit and engulfed the commerce of the world in a vortex of disorder." He declared that "the doctrines of violence and disorder, which have ruined many nations, are being preached here. Even in some of our churches there are those who talk glibly of a 'new social order,' and appear desirous of acting as its leaders. I warn them here and now that they are playing with fire. I point to Russia, with its churches turned into factories and stables, a condition which the emissaries of Communism openly seek to establish here. As an illustration of some of the demands being made by a section of the community, whom, apparently, Mr. Hepburn would take under his all-embracing wing, as he swings to the left, let me quote you what a delegation from the Southern and Eastern Ontario Conference on Unemployment demanded of me in my office only last week: a uniform scale of relief throughout the Province at the rate of \$10 per week for a family of two, plus \$2 for each child under sixteen and \$6 a week for single workers over sixteen." For a man and his wife and

three children, one being over sixteen, that would amount, Mr. Henry said, to \$20 a week. "This, they pointed out, was to continue until a scheme of non-contributory unemployment insurance was brought in, when the same rates would have to be paid—to my mind, a distinction without any difference, so far as paying the bill is concerned." The unemployment insurance, or relief, which was demanded, was, Mr. Henry stated, to be paid to every worker, single or married, youth and adult, industrial or agricultural, irrespective of sex, colour, creed, racial or national origin, citizen or non-citizen, age or political opinions without discrimination. The Prime Minister drew particular attention to the demand that the taxpayers of Ontario should support non-citizens in the generous manner mentioned. From its international spirit, he stated, one could be forgiven for thinking that it had been framed in Russia, so that when the agents of Communism arrived here they would have some money to carry on their activities. Mr. Henry pointed out that according to existing statistics of unemployment in Ontario it would cost the Province just \$80,000,000 a year, and he mentioned that the previous year the total Ordinary Revenue was shown by the Public Accounts as \$54,000,000. He referred to one other incident in connection with the Unemployment delegation—of how they had proposed to open their recent conference by singing the Red "Internationale." Mr. Henry commended the delegation from Peterborough for walking out of the hall, declaring that "God Save the King" was good enough for them.

Speaking on the same subject at a meeting of a Conservative Association in Toronto on Jan. 27, Hon. W. H. Price, Attorney-General, had also issued a warning that Communism was striving more feverishly than ever to sow its seeds in Canada. "The Communist has a definite programme ever before him." Russia, he charged, was establishing an ambassador in Persia for the one purpose of trying to break certain oil supply agreements between Persia and Great Britain and to stir up trouble between the two countries. Were Russia to "turn inside out" the Imperial Economic Conference Agreements between Canada and the Motherland, she would, he contended, consider it the master stroke of her career. (*The Mail and Empire*).

The Prime Minister's further activities for the balance of the Summer, it was understood, were to include a series of platform appeals throughout the Province.

At the Annual Meeting of the Ontario Liberal Association at Ottawa, Nov. 18-19, the resignation of the President, Hon. A. C. Hardy, was accepted and a resolution was passed expressing regret at his relinquishing the office after fifteen years' service. Mr. Hardy had tendered his resignation early in July in a letter to the Secretary of the Association, giving as his reason, his belief that the office required the services of a younger man. T. B. McQueston, Hamilton, was unanimously elected to succeed Mr. Hardy. The principal speakers at the Meeting, other than the Provincial Liberal Leader (Mr. Hepburn) were Rt. Hon. W. L. Mackenzie King, Leader of the Opposition in the House of Commons and National Leader of the Party; and Hon. Vincent Massey, who, a week later, was proclaimed President of the newly-formed National Liberal Federation of Canada. Mr. Hepburn, charged that the Governments of Canada were extravagant; he pointed out that it would take 2,500,000 bushels of wheat per day to take care of interest charges which must be met by the various Governments, Dominion and Provincial; he was appalled by "the tremendous increase in Ontario's debt" with "an increasing burden of taxation." He condemned "the duplication by Ontario of services already provided by the Federal Government and instanced the Ontario Research Foundation, the Colonization Service, and the Departments of Agriculture, Fisheries and Mines"; he denounced the collection of heavy taxes on gasoline, "not a dollar of which has been spent on the construction of roads." He promised that if the Liberals were returned to power in Ontario "we are going to spend that money for the purpose for which the tax is levied . . . we are going to balance the Budget and reduce taxation." The Provincial Liberal Leader favoured a reduction in the representation of

the Ontario Legislature; declared that Provincial expenses could be cut in half without impairing efficiency; denounced the borrowings by the Government (Ferguson) in the United States payable in United States funds; claimed the interest rates on some of Ontario's loans excessive; and criticised the purchase-of-power policy of the Hydro-Electric Power Commission of Ontario. (*The Globe*, Toronto, Nov. 19, 1932). Mr. Mackenzie King declared that "Liberalism, if it means anything at all, stands for something in our hearts which inspires us to render larger service to all in our day and generation than we would have done had we not been Liberals to the core." He declared that tariffs were taxation and restraints of trade that "tend to monopolies making more difficult the lot of the masses for the future." He stated that the Liberal Party was for freer trade within the Empire; "the Liberals gave the first preference within the Empire and the Dunning Budget was for freer trade. We are fighting the Trade Agreements because they lead in the opposite direction."

Mr. Vincent Massey called for the co-operation of all members of the Party; favoured "one Provincial body representing Liberalism in all its aspects and all its responsibilities and also one budget for both Federal and Provincial needs." He outlined a new platform along social, economic and constitutional lines, advocating in the latter connection the rights of free speech and personal liberty, and the complete overhauling of electoral laws and machinery; in the economic sphere, he urged industrial independence of State assistance and the safeguarding of the public-ownership principle.

Resolutions were passed at the Meeting reaffirming the principle of public ownership, administration and distribution of hydro-electric power and condemning the purchase of huge quantities of power at excessive prices by the Government; opposing the sale of the Canadian National Railways to private interests; deploring the failure of the Federal Government to deal adequately with unemployment and their destruction of Canada's trade by excessive tariffs; and urging the Ontario Government to relieve the burden of taxation on the municipalities by assuming the full cost of Provincial highways, old age pensions and mothers' allowances. (*The Citizen*, Ottawa, Nov. 21).

At a regular quarterly meeting of the Provincial Liberal Management Committee at Toronto on May 5, a resolution introduced by A. G. Slaght, for a beer and wine plank, was withdrawn, owing to the overwhelming opposition of the Liberal Members of the Legislature. In a letter to *The Mail and Empire* some days after the meeting, W. E. N. Sinclair, Leader of the Opposition in the House, stated that, contrary to a statement made by that newspaper, he had not been cognizant of the contemplated attitude of the Liberal Members at the meeting which he had not attended.

At Paris, Ont., on May 18, 1933, H. C. Nixon was unanimously chosen to represent the Liberals and Progressives in the next General Election. Mr. Hepburn stated at the mass meeting of Liberals and Progressives that if called upon to form a Government after the Election, he would exercise his prerogative and invite Mr. Nixon to become a Member of his Cabinet. (*The Globe*, May 19).

At Wingham, on June 1, the Provincial Liberal Leader, at the Annual Meeting of the North Huron Liberal Association, answered several questions of Conservative leaders: one pertained to Section 98 of the Criminal Code of Canada. Mr. Hepburn said that he had voted for and favoured repeal of this Section. Speaking on the same platform, Hon. James Malcolm, Liberal Member of Parliament for North Bruce and a former Minister of Trade and Commerce, denounced the policies of the C.C.F., declaring that they were not compatible with a conception of Christianity. (*The Mail and Empire*, June 2, 1933).

During the remainder of the Summer of 1933 the Leaders of the Provincial Opposition Parties continued their planned speaking tours throughout Ontario.

**The 1933
Session
of the
Legislature**

The Fourth Session of the Eighteenth Legislature of Ontario was opened on Feb. 15, 1933, by the Lieutenant-Governor, Colonel, the Honourable Herbert Alexander Bruce, M.D., F.R.C.S. (Eng.). The Speech from the Throne extended tributes to the services of Hon. W. D. Ross, as Lieutenant-Governor, and to Rt. Hon. Sir William Mulock, Administrator.

A brief reference was made to the Dominion-Provincial Conference at Ottawa in January, 1933, at which unemployment insurance, the provision and distribution of direct relief funds, duplication of public services and instances of over-lapping legislation had been discussed. Other questions of Provincial concern covered by the Speech were as follows:

The Agreement reached in July, 1932, between Canada and Ontario concerning the development of the water powers of the international section of the St. Lawrence River; the completion of the Temiskaming and Northern Ontario Railway to James Bay; the purchase of the Abitibi Canyon Power project "by means of which industry and mining in the North Country will be placed in an exceptionally favourable position"; the work of the Budget Committee and their efforts toward retrenchment in Provincial expenditures; the existing need to study and consider prevailing rates of interest, as well as the "importance of their relations to the economic and domestic life of the community"; the hampering of the agricultural industry by extremely low prices and by the forced departure of Great Britain from the gold standard; the improvement in the prospect of an early return to better conditions by the outcome of the Imperial Economic Conference of July, 1932, at Ottawa, by the work of the Marketing Board, by the plans of an intensive drive for British and Canadian markets, and by a definite effort to stimulate the consumption of Ontario's products by her own people. Attention was drawn to the favourable financial condition of the Ontario Hydro-Electric Power Commission—to its reserves amounting to some \$62,500,000; to the findings of the Royal Commission of Inquiry into certain contracts entered into by the Hydro-Electric Power Commission (see *The Canadian Annual Review*, 1932, pp. 150-55); to the expansion of gold production in Ontario; to the condition of the King's Highway system in the Province: the expenditure of \$7,705,649 for construction and maintenance during the previous year—Provincial subsidies on county and township roads amounting to \$5,547,739; to education: the maintenance of the schools of the Province during a trying economic period and proposed legislation with a view to lightening the burden of taxation to local taxpayers without impairing the efficiency of the system; to the valuable Report of the Advisory Relief Committee; and to the establishment of a radium plant at the University of Toronto. Legislation forecast, other than that reducing taxation to local taxpayers in connection with schools, had in view (1) the readjusting of representation in the House in order to remove existing inequalities, and (2) the affording of further relief to mortgagors, particularly those who were home-owners.

The Motion to Address a Reply to the Speech from the Throne was introduced by Harry I. Price (Con., West York) elected during Recess. It was seconded by A. C. Burt (Con., Norfolk), also a new representative, whose speech included an announcement of Government action with regard to the Abitibi Canyon purchase: "The Government continues to be specially interested in facilitating the provisions of electrical service at the lowest cost consistent with sound economics, for the domestic, industrial and other needs of the citizens of the Province. More than 80 per cent. of Ontario's

population receive their electrical supplies through the Hydro-Electric Power Commission of Ontario." Continuing, he stated that:

The Government is endeavouring to stimulate this field of activity, in order to further aid development of Northern Ontario, and in pursuance of this policy has already authorized the Hydro-Electric Power Commission of Ontario to construct and acquire the necessary development plants and transmission lines, and enter into contracts for additional power from the Ontario Power Service Corporation, which organization, it will be recalled, had failed to sustain its programme, and the Government found it in the interests and advantage to the Province to take over these properties and hold them in the general interest of northern development. While the Government assumes all responsibility for obligation resulting from the purchase and operation of the Ontario Power Service Corporation properties, in promoting the utilization of these properties it is working co-operatively with the Hydro-Electric Power Commission. The Government will make it possible for the municipalities, large or small, that can be served from this development, to obtain power at fair and reasonable rates upon a suitable form of partnership basis, which will be equitable to municipalities having regard to the amount of power taken and other factors. As in the case of the more populous districts in the Province, the Hydro-Electric Power Commission will be in control of the administration of such co-operative arrangements as may be made between the Government and northern municipalities. The necessary legislation to more effectively carry out this programme will be presented at the coming Session. (*The Mail and Empire*, Feb. 16, 1933.)

The Debate on the Address-in-Reply to the Speech from the Throne was resumed on Feb. 21, when both W. E. N. Sinclair (House Leader of the Liberal Opposition) and H. C. Nixon (Leader of the Progressive Party) spoke. Mr. Sinclair concluded his remarks by moving, seconded by Dr. George A. McQuibban (Liberal Whip) an Amendment to the Motion to Address a Reply to the Speech, deploring the reduction in school grants without the repeal of regulations requiring expensive standards of equipment so that the taxpayers might absorb such reductions through other economies in education. Mr. Nixon moved an Amendment to the Amendment, which was seconded by D. J. Taylor (Prog., Grey N.). It called for the dissolution of the Legislature just as soon as the routine business of the Session could be disposed of "as the present Government does not enjoy the confidence of the majority of the people of Ontario and is maladministering the public affairs under the mandate given Mr. Ferguson in 1929." Mr. Sinclair in his address stated that up to a certain point "all people should support Governments of the day in these stressful times, when law and order must be maintained and when pernicious doctrines find favour." He denounced inflation of currency. He asked that fairness be shown in the provisions of the "Redistribution Bill"; queried "the reserves" of the Hydro-Electric Power Commission; and spoke of the increasing Public Debt of the Province. His main topic was educational costs; he criticized the policy of reducing school grants while still maintaining the regulations requiring high standard equipment; he claimed that the existing standard meant that schools not in keeping with the average home had been erected—that less than 10 per cent. of private homes "come up to the standard of schools." He disapproved of the expenditures of the Department of Education and stated that he

was opposed to State contribution to teachers' and Public Service superannuation. He wound up his address with the Amendment mentioned above. (*The Globe*, Toronto, Feb. 22, 1933).

Mr. Nixon's preliminary remarks to his "want-of-confidence" Amendment were a direct attack on Mr. Henry for sitting on the Board of Directors of the Toronto Mortgage Company while at the same time holding the office of Prime Minister. He directed his attention to the proposed legislation mentioned in the Speech from the Throne extending the Mortgage Moratorium Act of 1932 and spoke of "amazing and conflicting statements" made in connection with the mortgage situation. He referred to the Prime Minister's former connection with a milk company, which he termed "a milk combine." He repeated his condemnation of representation by Ministers of a Government on directorates of corporations. Speaking of the "Redistribution Bill" the Progressive Leader said that he did not object to reduction in representation, provided it was carried out on a fair basis but "I fear that the Government is giving more attention to its efforts by a gerrymander to bring grief and difficulty to its opponents than attempting to solve the problems of the day."

He suggested a number of economies that the Government might put in force; some of these were: reductions in Members' indemnities and Cabinet Ministers' salaries and in the salaries of the Commissioners of the Hydro-Electric Power Commission. Mr. Nixon reviewed the history of the Ontario Power Service Corporation (see Sub-Section under this heading). He claimed that the bonds of the Corporation which had originally sold for \$94.22 were selling, when the Ontario Government was approached by the Abitibi Power and Paper Company, "on the market at from \$17 to \$25 and, of course, would have dropped much lower had there been forced a sale of any considerable amount," but "at this stage the Henry Government offered to purchase the bonds at \$90. . . . Before the offer was definitely made, but when the suggestion began to be whispered around, the bonds jumped to \$33 and to \$37 on the assumption that the Government might pay \$90. . . ." His Amendment followed. (*The Globe*, Feb. 22, 1933).

The Prime Minister (Hon. George S. Henry) spoke on the same day (Feb. 21) and on the 23rd. In his half-hour's address in the evening of the 21st was included a welcoming reference to the new Provincial representative of His Majesty. He complimented the Liberal Opposition Leader (Mr. Sinclair) on the co-operative spirit of his speech and promised a similar Conservative attitude "if the House can get away from party politics." He answered the charges of Mr. Nixon (Leader of the Progressive Party) as to his connection with the Toronto Mortgage Company: his family for fifty years had been connected with the firm, in its previous and existing composition; he had inherited shares; he had been on the Directorate for seventeen years; the annual directorate membership fee was \$300 and not \$5,300 as alleged; and the stock in the Company yielded about 6 per cent. interest. He explained the reason for an announce-

ment by the Government in January, 1933, of a proposed mortgage moratorium legislation: they (the Government) had been much concerned at the time over an epidemic of foreclosures underway in Ontario; they believed that if intimation were publicly given that legislation to be enacted during the 1933 Session might be retro-active from the first of the year it would stave off these actions; he stated that there had been no intention of interfering with ordinary loans but of assisting in directions where hardships were being imposed. (*The Mail and Empire*, Toronto, Feb. 22, 1933). In further refutation of statements made by the Leader of the Progressive Party, the Prime Minister on the 23rd read extracts from a letter from the management of the Toronto Mortgage Company which showed: that there were 484 shareholders of the Company, 336 of whom were debenture-holders in Canada; that there were 133 depositors; that the average value of the shares owned by each of the 484 shareholders was \$2,039; that the average value of the shares owned by each of the debenture holders was \$1,825; and that the average amount deposited by the depositors was \$732. Mr. Henry stated that the Company had had no foreclosures during the previous year; that for twenty-five years the Company had not owned a piece of real estate except the head office in Toronto. He concluded: "So why all this discussion? Why all these innuendoes? Why bring this matter up in the House at all except for the purpose of inferring that something was wrong—and that I was in a dual position as a public servant and could not be trusted."

The Prime Minister denied that he had been associated with "a milk combine." He repeated the explanation given during the Session of 1932 to the effect that he had been one of the initial incorporators of the Farmers Dairy—a corporation originally composed of farmers; that four years previously the Company had sold out, at which time he (Mr. Henry) had been asked to remain in a nominal position as President of the new Company; that he had done so, but had tendered his resignation the previous Autumn; that he no longer had any interest in the Company except that he held a few shares of stock on which, to date, he had not been able to realize.

Mr. Henry promised that all documents connected with the acquisition of the assets of the Ontario Power Service Corporation would be available to the Opposition for consideration and inspection before the Session ended. He stated that he "staked his reputation in the Province" on the benefit of the Corporation's power development to the North country. Speaking as Minister of Education on Feb. 23, in answer to Mr. Sinclair (Liberal Opposition Leader), he was emphatic as to the Government's intention to reduce education costs. There was imperative need for readjustment, he stated: Provincial grants, therefore, would be cut by 20 per cent. He repudiated the charge that the Government encouraged expensive equipment in schools; "school inspectors were recently told in a circular which I, myself, sent out to all parts of the Province, that

on no account were they to press for school improvements, no matter how much they were needed. . . . If there is one thing I am determined to do, it is to have school inspectors respect the present economic conditions."

Reviewing the unemployment situation in the Province and the means adopted by the Government for its alleviation, the Prime Minister mentioned the appointment of the Advisory Relief Committee and its subsequent Report. He stated that out of 900 Ontario Municipalities, 550 were on relief, more or less, and that in 156 of these, welfare boards had been set up with citizens on them who, in the main, were not connected with municipal life; that relief expenditures in 1931-32 of the Province amounted to \$12,000,000; of the Dominion, \$11,000,000; and of the Municipalities, \$12,500,000, a total of \$35,500,000 under a policy of indirect relief; for a three-months' period in 1932-33 the Province and the Dominion each contributed \$2,750,000 and the Municipalities \$2,000,000, a total of \$7,500,000; and a total for the period 1931-32 (Nov. 1, 1931 to Oct. 31, 1932) to Feb. 1, 1933 for both direct and indirect relief, of \$61,500,000. Direct relief was costing less, Mr. Henry stated, but was not so satisfactory. He then took up further questions: (1) the "Redistribution Bill": the membership would be kept to 90 or thereabouts; and (2) the Hydro-Electric Power Commission and the findings of the Royal Commission, which, in effect, were: that the payment of \$50,000 to Aird was justified; that there had been no stock transaction in connection with the Dominion Power and Transmission purchase by anyone with inside information; and that the engineering staff of the Hydro-Electric Power Commission deserved the highest tribute.

Other Members taking part in the Debate which was continued on Feb. 28, Mar. 2, 7, 9, 14 and 16, included F. W. Wilson (Con., Windsor E.), L. J. Simpson (Lib., Simcoe Centre), F. J. McArthur (Con., Northumberland), J. F. Strickland (Con., Peterborough City), Hon. Leopold Macaulay (Minister of Highways), D. M. Ross (Prog.-Lib., Oxford N.), J. F. Reid (Con., Windsor W.), E. Hutchinson (Lab., Kenora), A. H. Acres (Con., Carleton), Hon. G. H. Chalkies (Provincial Secretary), F. Oliver (U.F., Grey S.), A. E. Graham (Con., Manitoulin), N. O. Hipel (Lib., S. Waterloo), T. A. Blakelock (Lib., Halton) and Hon. W. H. Price (Attorney-General).

On Mar. 7, Mr. Simpson (Lib.), speaking in the Debate, called for an election as soon as the 1933 Session was completed, claiming that it was unconstitutional for the Government to continue in office; criticized the administration of relief in the Province; attacked the Prime Minister for his position on the Directorate of the Toronto Mortgage Company, while holding the office of Prime Minister, declaring at the same time that "no one for a moment questioned his personal integrity or honesty as the Prime Minister of this Province"; and denounced, as unfair, criticisms by Government Members of Mitchell Hepburn, Leader of the Provincial Liberal Party.

Mr. Challies (Con.), on the same day, defended the Abitibi Power acquisition; eulogized the St. Lawrence Waterway scheme; and stated that drunkenness and drunken driving were on the decrease in the Province.

Mr. Macaulay (Mar. 9) answered the charge of Mr. Simpson that Conservative Members' denunciation in the Legislature of the Leader of the Provincial Liberal Party, Mitchell Hepburn, M.P., was unsportsman-like, by contending that it was the opinion of all Parties that Mr. Hepburn was dodging responsibility by his refusal to enter the Legislature "where his leadership and seat would be at stake whenever he makes statements of policy or expresses his views on any subject"; The Minister of Highways accused the Liberal Party of being divided on every issue except that of desire for public office, of being unable to cleave to any policy of taxation, fiscal, reform, currency, inflation or public expenditure; he claimed that staunch Liberals had "fled from their Party" because of the "campaign of abuse and vilification" launched and maintained by Mr. Hepburn since his appointment as Leader of the Provincial Party. (*The Mail and Empire*, Toronto, Mar. 10, 1933).

Mr. Price (Attorney-General), who ended the Debate, spoke on Mar. 16 in defence of his Department. He strongly condemned Communism. He denounced the "vilification of public men who are serving their Country." He stated that there was no dissension in the Conservative ranks. He quoted, in refutation of Mr. Nixon's attack on the Prime Minister's connection with a milk company and a mortgage company, instances of other Members of Governments who at the time were executives of business firms: Hon. F. C. Biggs (Member of the Drury Government) was a Director of two life insurance companies; Sir Wilfrid Laurier (Prime Minister of Canada) was a Director of the Mutual Life Insurance Company, and Hon. George W. Ross (Prime Minister of Ontario) was President of the Manufacturers Life Insurance Company.

At the conclusion of the Attorney-General's speech a vote was taken on Mr. Nixon's Amendment to the Amendment to the Address when it was lost on division. 81 to 20, F. R. Oliver (U.F., Grey S.) pairing with T. H. Bell (Con., Bellwoods), and C. A. Robertson (Lib., Huron N.) pairing with A. R. Nesbitt (Con., Bracondale). Mr. Sinclair's Amendment, upon being put to the vote of the House, was lost on the same division. Finally, the main Motion, having been submitted, was carried on division 81 to 20, the same Members pairing.

The Budget Address. In the absence of Hon. E. A. Dunlop, Provincial Treasurer, who had been in poor health for some time, the Prime Minister on Mar. 23, though far from being completely recovered from his recent illness, delivered the Budget Address. In a few preliminary remarks he referred with regret to the absence of Mr. Dunlop and of his temporary assumption of his office. Speaking of his (Mr. Henry's) connection with other Government Departments during his twenty-five years as Member of the Legislature, he mentioned, in particular, the Portfolio of Education, which he held in addition to the office of Prime Minister, as had his predecessor,

Mr. Ferguson. He stressed the fact that the constructive development, which had marked the services of that Department during the seven-year period under Mr. Ferguson, was being continued, in spite of the hampering and difficult times, mainly through the efforts of that "triumvirate of specially able men," Dr. A. H. U. Colquhoun (Deputy Minister), Dr. F. W. Merchant (Special Advisor), and Mr. G. F. Rogers (Chief Director), who were, he said, at all times his constant advisors as to Departmental policy.

Mr. Henry first reviewed the Public Accounts for the fiscal year ended Oct. 31, 1932. The Total Revenue in Ordinary Account was \$54,175,000 and the Total Expenditure, leaving out certain special items not anticipated, was \$52,173,000. The special accounts totalled \$4,063,000 and were made up of the following items: Attorney-General's Department (fines to Municipalities), \$357,000; Relief, \$808,000; Welfare Department, \$567,000 (representing the difference between Dominion contribution to Old Age Pensions of 50 to 75 per cent. for three months and counted as a Bill Receivable in the previous year's statement); Public Debt—exchange on maturities in New York, \$2,330,000. Therefore, instead of a Surplus of Two Million, these items not anticipated produced a Deficit of \$2,000,000. Ordinary Expenditure reductions for the fiscal year 1931-32, exclusive of Public Debt charges, amounted to \$4,350,000. The largest items were in Education (\$913,844) and Public Welfare (\$1,316,534).

The Prime Minister gave a comparative review of the Provincial Gross Debt which had increased from \$518,566,500 in 1930-31 to \$572,318,393 in 1931-32 (the Net Debt was \$277,673,820, an increase of \$33,646,691). He pointed out that it (the Gross Debt) had increased during the nine years of Conservative Administration from \$291,000,00 to only \$572,000,000; that this compared with a four years' growth under the Farmer-Labour (Drury) Administration (1919-1923) of \$97,000,000 to \$291,000,000. Thus the increase was \$281,000,000 in nine years, under Conservative rule, and \$194,000,000 in four, under Farmer-Labour rule. He stated that the latter Government had left office at the end of four years with a Deficit of \$14,000,000; and the Conservative Government (Ferguson and Henry) had, at the end of nine years, a Total Net Deficit of \$8,000,000. Of the increase of \$194,000,000 of the Gross Debt during the four-year Farmer-Labour rule, \$106,129,000 was classed as realizable revenue-producing assets; \$55,532,000 as non-realizable (roads); and \$31,130,000 as various, and about one-half of this amount was a deficit (\$14,251,000). Thus, they (the Drury Administration), Mr. Henry said, had "failed, in fairly decent conditions, to balance the Budget." He pointed out that of the \$281,000,000 increase during nine years of Conservative rule, \$104,768,000 was realizable revenue-producing assets; \$111,951,000 was non-realizable but revenue-producing assets (roads); and \$64,821,000 covered other items, including direct relief of \$3,139,000. This, the Prime Minister stated, was a fair and reasonable comparison and an adequate answer to critics of the Government.

Preliminary to his forecast for the fiscal year ending Oct. 31, 1933, Mr. Henry spoke of the work of the Treasury Board (a Sub-Committee of the Cabinet, consisting of the Treasurer, the Attorney-General and the Prime Minister) who had authority to approve and increase the expenditure of any one vote; of the setting up of the Budget Committee in the Autumn of 1932, at the suggestion of the Provincial Treasurer (Mr. Dunlop), for the purpose of having all Accounts carefully checked in order that the greatest economy might be practised. The Committee, he stated, was composed of the Treasury Board, the Assistant Provincial Treasurer (F. M. Turnbull), the Comptroller of Revenue (J. T. White, k.c.), the Auditor (G. A. Brown), the Civil Service Commissioner (Dr. J. M. McCutcheon) and Col. H. D. Lockhart Gordon. Mr. Henry explained that the latter had been "brought in from outside as an accountant and adviser."

In dealing with the Supplementary Estimates for the fiscal year 1932-33, the Prime Minister pointed out that there were deductions amounting to \$3,715,133 from the Main Estimates. The additions totalled \$4,925,000; but

of this amount \$1,225,000 pertained to the Hydro-Electric Power Commission—capital advances.

The fiscal year ending Oct. 31, 1933, showed an Estimated Deficit of \$2,952,000, \$1,000,000 of which, Mr. Henry said, was due to the consideration which had been extended to farmers through the Agricultural Development Board—"not a matter of moratorium but a consideration extended by the Minister-in-charge." Estimated Ordinary Expenditure for the fiscal year 1932-33 was \$53,285,000; and Estimated Ordinary Revenue was \$50,333,000. The entire estimated cost of unemployment relief (direct relief and board and settlers' camps)—\$9,536,000 in all—was charged to Capital. The Public Debt charges, he pointed out, were on the increase owing to yearly borrowings of money. On Capital Account \$35,800,000 had been expended in 1932. In the fiscal year 1932-33 Net Capital Expenditure was being cut to \$21,000,000 or \$14,000,000 less than in 1931-32. "There must be," he explained, "some capital expenditure for Hydro, and the Municipalities do not wish to shut down absolutely on the construction of roads." Out of Provincial Expenditure of \$53,000,000, there would be Debt Charges of \$18,335,000. Of that, \$17,135,000 was for interest and \$1,200,000 for exchange. It was not the intention of the Administration, Mr. Henry stated, that the Agricultural Development Board should go on indefinitely increasing its lendings; therefore, they had instructed the Board that their total advances must be kept within \$50,000,000.

There were to be no new taxes except the imposition of a surtax of 10 per cent. on Succession Duties to continue only so long "as present conditions maintain." Concluding, the Prime Minister moved that the House resolve itself into Committee of Supply.

The Debate on the Budget. The Debate was opened on Mar. 28 by F. W. Elliott (North Bruce), Liberal financial critic, who moved, seconded by N. O. Hipel (Lib., Waterloo South), a want-of-confidence Amendment to the Motion that the House resolve itself into Committee of Supply; it was concluded on Apr. 4, when the main Motion was adopted on division, 75 to 20, after the Amendment had been negatived on the same division reversed. The other principal speakers in the Debate were S. C. Tweed (Lib., Waterloo N.), James Lyons (Con., Sault Ste Marie, and a former Minister of Lands and Forests), W. E. N. Sinclair (Liberal Opposition Leader), H. C. Nixon (Progressive Leader), and Hon. William Finlayson (Minister of Lands and Forests); the latter's address brought the Debate to an end.

Mr. Elliott criticized the system of accounting used by the Government, claiming that it failed to disclose the true state of the Province's financial position. He denounced the Government for their failure to stem "the mounting Public Debt" of the Province. He contended that Government bond issues during the previous fiscal year had cost too much; that interest rates were too high. He attacked the announced Surplus of \$62,500,000 of the Ontario Hydro-Electric Power Commission, asserting that actually there was less than \$43,000,000 which could really be called surplus (Hon. J. R. Cooke, Chairman of the Commission, arose in his seat to refute this assertion, averring that the stated figure was correct and that there were securities to show for it). Mr. Elliott concluded by moving that the Government be condemned for their failure to balance the Budget.

Mr. Tweed advocated a Commission form of Government for a period of ten years. He urged a charity tax on meals served in restaurants, costing over a certain sum; an extension of the proposed Surtax upon the Succession Duty Tax; and a tax on hard liquor. He criticized the Government for abandoning the debt-retirement plan. (*The Globe*, Toronto, Mar. 29).

Mr. Lyons advocated the sale of beer and wine in hotels under proper regulations, declaring that a revenue of three million dollars could be obtained in this manner. He emphasized the fact that he was merely giving his personal views. Other suggestions were made by Mr. Lyons with a view to affecting further economies and of increasing the revenues of the Province.

Mr. Sinclair (Lib.), Mr. Nixon (Prog.) and Mr. Finlayson (Con.), all spoke on the last day of the Debate (Apr. 4). The Liberal Opposition Leader suggested various economies that the Government might adopt in order that the Budget might be balanced the following year; some of these were: (1) elimination of the payment to the Teachers' Superannuation Fund of \$720,000; (2) elimination of the payment of \$500,000 to the Public Service Superannuation Fund; (3) reduction by \$500,000 of the grant to the University of Toronto; and (4) elimination for the time being of Ontario House in London. He called upon the Government to state whether such a fund as the Highway Improvement Fund existed. (*The Globe*).

Mr. Nixon spoke of the "uncontrolled condition" of the Province's finances and paid tribute to the Leader of the Provincial Liberal Party, Mitchell F. Hepburn, for his criticism of Government financing. He (Mr. Nixon) censured the Government "for the manner in which they have brought down their programme for the Session"; but he realized, he stated, their difficulty owing to the illness of both the Prime Minister (Mr. Henry) and the Provincial Treasurer (Mr. Dunlop). He discussed the salaries of the "Hydro" Commission and those of the staff, stating that he proposed to bring in a Bill placing these salaries "at something within reason."

Mr. Finlayson eulogized the work of the engineering staff of the Hydro-Electric Power Commission . . . "the greatest enterprise of its kind in the world . . . it should not be dealt with as a matter of party politics." He answered Mr. Sinclair's suggestions with regard to Government economies: (1) the Government had decided, after consideration of the matter of Superannuations, both of Teachers and Civil Service, that they could not break faith with those who contributed to these two funds knowing that the Government was contributing a similar amount; (2) the grant to the University of Toronto had already been heavily cut and if conditions became worse another cut might be necessary; (3) Ontario House in London had had its expenditures reduced and they could not be cut further without impairing its value to Ontario trade. He stated that the Highway Improvement Fund, about which Mr. Sinclair had queried, was "simply a method of budgetting." Mr. Finlayson concluded by saying: "It is true that the Public Debt has increased but so long as the people of the Province want power, so long as they want good roads, so long as they want the services which this Government can give, so long will it be necessary to issue debentures and increase the Public Debt."

Estimates, 1933-34. On Apr. 10, 1933, a statement of Estimates of Ordinary and Capital Expenditures for the fiscal year ending Oct. 31, 1934, was tabled in the House. The following table shows the amounts which were to be voted and those that were statutory:

Departments	To be Voted	Statutory
Lieutenant-Governor	\$ 7,200.00	
Legislation	314,305.00	
Prime Minister	1,471,837.00	\$ 1,304,000.00
Attorney-General	2,352,730.00	243,882.00
Insurance	66,300.00	
Education	9,708,209.00	1,337,638.43
Lands and Forests	1,513,625.00	10,000.00
Northern Development	471,025.00	3,768,325.00
Mines	311,925.00	10,000.00
Game and Fisheries	590,400.00	
Public Works	871,111.00	35,000.00
Highways	532,675.00	6,777,000.00
Health	7,249,470.00	64,000.00
Labour	417,596.50	
Public Welfare	5,225,618.00	10,000.00
Provincial Treasurer	596,215.00	18,798,794.48
Provincial Auditor	104,925.00	6,500.00
Provincial Secretary	1,109,335.00	10,000.00
Agriculture	2,043,849.50	192,500.00
Miscellaneous	200,000.00	
	<hr/> \$35,158,351.00	<hr/> \$32,567,639.91

Ontario Power Service Corporation. Negotiations between the Abitibi Power and Paper Company and Members of the Ontario Government which culminated in the acquisition and purchase of the property, assets and undertaking of Ontario Power Service Corporation Limited on Mar. 31, 1933, by the Hydro-Electric Power Commission of Ontario, began about the middle of 1932. The Corporation had been organized in 1930 as a subsidiary of the Abitibi Power and Paper Company to develop power at Abitibi Canyon in Northern Ontario. The Hydro-Electric Power Commission of Ontario had contracted to take 85,000 to 100,000 h.p. and the parent Company, the balance of a final development of 275,000 h.p. In June, 1932, owing to financial difficulties, the Abitibi Power and Paper Company were unable to provide the moneys necessary to complete the construction of the power plant as guaranteed to their subsidiary company. Negotiations were then begun with the Government of Ontario. The Ontario Power Service Corporation Limited meanwhile, on July 1, 1932, had defaulted on the interest due on \$20,000,000 of 5½ per cent., 20-year bonds.

An announcement was made by the Prime Minister (Mr. Henry) on July 24, 1932, to the effect that an agreement had been reached; the terms were also made public. (These were later contained in a statement in the Legislature by Hon. J. R. Cooke on Mar. 15, 1933, in answer to several questions by D. J. Taylor (Progressive, Grey N.) They were in effect: (1) that the Government had never offered to take over the Abitibi power development but that on or about Aug. 5, 1932, the Hydro-Electric Power Commission of Ontario, at the request of the Government, had made a public offer to the holders of the bonds of Ontario Power Service Corporation Limited to acquire such bonds in exchange for 20-year debentures of the Commission guaranteed by the Province of Ontario on the basis of \$90 of such debentures for each \$100 of bonds of Ontario Power Service Corporation Limited, such debentures to be dated Oct. 1, 1932 and to bear interest at 3½ per cent. up to Oct. 1, 1937; at 4 per cent. up to Oct. 1, 1942; and thereafter until maturity at 5 per cent. and payable both as to principal and interest in lawful money of Canada and redeemable at the option of the Commission at par; (2) that over 97 per cent. of the bondholders of the Corporation had accepted the offer; (3) that the Government had agreed to indemnify the Commission in connection with the transaction; (4) that the development had not been completed and that the extent of the liability of the Government under their indemnity had not been ascertained at that date (Mar. 15); that the Government were not aware of the names and addresses of the bondholders and the amounts held by them respectively.

The Bill ratifying the purchase was introduced in the House by the Prime Minister (Mr. Henry) on Apr. 5 and on the 11th the second reading was carried "on division," 74 to 18, after a Debate had been in progress. It received third reading, on Apr. 13 and the Royal Assent on Apr. 18th.

Six distinct features of the transaction were revealed by the Prime Minister when he introduced the Bill (*The Mail and Empire*, Apr. 6, 1932); they were:

1. The development was to be solely a Province-owned affair, and although the Hydro-Electric Power Commission would operate it, no partnership arrangement with municipalities, such as was the policy in old Ontario, would be established in connection with it.

2. Annual carrying charges on the development which, under the existing set-up, would not exceed \$550,000, it was estimated, were to be met out of the Legislature's customary appropriation for Northern development.

3. Claims of contractors and other creditors against the enterprise, at that date amounting to some \$5,000,000, would be met on as favourable terms as it was possible to negotiate.

4. In the event of new northern power contracts which were then in the course of negotiation by "Hydro" being consummated, the initial operation of the project would be immediately expanded to take care of the increased demands for energy.

5. The immediate advantage to the Province derived from the purchase of the Ontario Power Service bonds would appear from the following figures:

Estimated annual cost to the Province had the bondholders completed and retained the Ontario Power Service plant and sold power to the Commission as above mentioned... \$936,000

6. The estimated annual cost to the Province as owner for the first five years following Oct. 1, 1932, was as follows:

3½ per cent. interest on \$18,000,000 Hydro debentures.....	\$630,000
Interest on estimated costs to complete plant, say, \$2,500,000, at 4½ per cent....	112,500
Operating and maintenance costs of line Canyon to Hunta.....	10,000
Operating costs Canyon plant.....	100,000
Water rentals	78,000
Total.....	\$930,500
Less: revenue from International Nickel Co.....	208,000
	\$722,500

It would result in a yearly loss of \$722,500 instead of \$936,000, being a saving of \$213,500; besides which the Province would own the whole of the development estimated to produce at least 240,000 h.p. instead of having control of only 100,000 h.p.

Notwithstanding the Prime Minister's suggestion early in the Session that the question of the acquisition of the Corporation be left in abeyance until the Bill was introduced, when the Members would be given an opportunity to discuss the matter, the Opposition had brought up the power development purchase during the Debate on the Address-in-Reply to the Speech from the Throne (see elsewhere in this Section) and also in the placing of several questions on the Order Paper which were answered on Mar. 15 (see preceding item as to terms of purchase).

Several other questions on the Order Paper pertaining to the transaction awaited the Prime Minister's attention on Apr. 5, the day of the introduction of the Bill. The first, asked by D. J. Taylor (Prog., Grey N.), was as to Rt. Hon. Arthur Meighen's connection with Canadian General Investments Limited; also whether this "or any of its predecessors, First, Second, Third, or Fourth General Investment Trust Limited, hold bonds of the Ontario Power Service Corporation Limited prior to, at the time, or subsequent to the taking over of the Ontario Power Service Corporation's partially completed development on the Abitibi, etc." Mr. Henry explained that the Government had been informed (1) that Mr. Meighen "is Chairman of the Board of Canadian General Investments Limited"; . . . which has a management contract with these Companies, and has been throughout this period Chairman of the Boards of the Investment Companies"; (2) that these Companies were owned by some 4,000 shareholders throughout Canada, Great Britain and the United States and that the annual reports since 1929 had shown that some of them were holders of Ontario Power Service Corporation bonds along with several hundred other securities; (3) that bonds of the Ontario Power Service Corporation Limited had been purchased by Canadian General Investments, Limited, but that, apart from the list of bonds exchanged for debentures of the Hydro-Electric Power Commission, the Government was not aware of the amount of bonds held by Canadian General Investments, Limited, or its predecessors; in this connection, Mr. Meighen had informed the Government that the Directors of the Investment Companies had never deemed it in the interest of their shareholders to give to the public details of purchases and sales of their various holdings and that, therefore, neither he nor the management Company had the right to diverge from the policy of the Directors in this regard. Mr. Henry further stated that Mr. Meighen had no part in any negotiations for the acquirement of the property or the bonds of Ontario Power Service Corporation Limited "and he informs the Government that from the day of his appointment until now there has never been a time when any information bearing on the value of such bonds was known to him or was available to be known to him not

equally available to the general public." The Prime Minister concluded by stating that the "acquisition of the bonds and property of Ontario Power Service Corporation was negotiated and undertaken for the benefit of the Province and not as an enterprise of the Hydro-Electric Power Commission which merely acted as agent for and at the request of the Government."

Mr. Henry's answers to questions of Mr. Nixon (Progressive Leader): Did the Prime Minister or any other Member of the Government, the Chairman of the Hydro-Electric Power Commission or either of the other Commissioners, hold or control any of the bonds of the Ontario Power Service Corporation, were as follows: that he (the Prime Minister) held \$25,000 of Corporation bonds, which he had purchased in August, 1930; also that Rt. Hon. Arthur Meighen (Commissioner of the Hydro-Electric Power Commission of Ontario and Senator of Canada) held \$3,000 of the bonds which had been purchased in the open market on Nov. 30, 1931. Mr. Henry explained that the Government had been informed that on Jan. 3 these latter bonds, or the debentures of the Hydro-Electric Power Commission for which they were exchanged, had been sold and that as the bonds were pledged with United States collateral as security for a loan the loss on exchange had been such as to leave the result of the transaction to Mr. Meighen as merely return of principal, plus a fair interest. The Prime Minister stated that Mr. Meighen never at any time had owned directly or indirectly any further interest of any kind in the Corporation. No other Member of the Government or either of the other Commissioners of the Hydro-Electric Power Commission held or controlled any of the bonds of the Ontario Power Service Corporation, Mr. Henry said. In answer to further questions of the Progressive Leader (Mr. Nixon) the Prime Minister stated; (1) that on Aug. 5, 1932, the Montreal Trust Company had been requested by letter from the Chairman of the Hydro-Electric Power Commission of Ontario to act as depositary for the Commission in connection with the public offer of that date made by the Commission to the bondholders of the Ontario Power Service Corporation; and (2) that the Hydro-Electric Power Commission in the judicial proceedings tendered \$14,000,000 for the property and that in the proceedings the firm of Tilley, Johnson, Thomson and Parmenter had been acting only for the Montreal Trust Company.

In a straightforward explanation to the House of the difficulties of the situation facing him at the time, the Prime Minister said (*The Mail and Empire*, Apr. 6, 1933):

"I bought twenty-five \$1,000 bonds in August of 1930, at the time of the issue, when I was Minister of Highways and not Leader of the Government. I still had these bonds when in 1932 the situation developed which I have already described in detail.

"Now, Mr. Speaker, in all sincerity I want to say that when this problem first came to me I never thought of my personal interest. I am not mentioning this as an excuse—it is just a plain statement of fact.

"Mr. Speaker, I want to ask the honourable Members of this House; I want to ask the fair-minded citizens of this Province, to consider what courses of action were open for me.

"I had the bonds; what could I do with them? Could I refuse on behalf of the Government to have anything to do with this great, important question which might ultimately be of tremendous benefit to the Province, merely because I held a few of the bonds? I could not. I was elected to serve the people and any personal consideration had to be pushed aside, and was pushed aside. Nor could I hand them to a broker to sell in the open market. Having by reason of my office acquired confidential information as to the financial straits in which the Ontario Power Service Corporation found itself, it would have been manifestly improper for me to sell the bonds to a purchaser who had not the same information. I may add that the average price of the bonds in March, 1932, when the broker first came into my office, was 65, in April, 48; May, 46½; June, 43; July, 64; and August, 68½. I am informed that in July, shortly after the failure of the Company to pay its

interest, a few bonds, from New York, sold around 30, but the average prices were as I have stated.

"Now, Mr. Speaker, I elected to be a farmer and on the farm I learned to plough a straight and clean furrow. All through my life I have had the same determination. I have followed the same course in political life, and intend to.

"And so, Mr. Speaker, the bonds remained in my possession, I considered the wisdom of informing the Cabinet that I had them, but decided it was better they should grapple with the problem with entirely free and open minds.

"The only question that remains is my own position in relation to this deal. The view I took was to press as strongly as possible for the very best terms for the Province, and this I did throughout the entire negotiations, and frequently I was accused of being too harsh towards the bondholders . . .

"I just wish to say this. I feel that in the future, when we have pulled out of the present depression, and the Province is moving forward to its great destiny and the development of its unparalleled resources, the people of Ontario will say that the acquisition of the Abitibi property by the Henry Government was wise and far-sighted. I feel that when the matter comes to be viewed in its proper perspective, it will go down in history as one of the outstanding achievements in the development of our Province.

"In conclusion let me say that if any Member of this House will take the responsibility of suggesting that the slightest loss has been caused to the Province of Ontario by my possession of these bonds, and ask for a commission to inquire into every detail, I will be perfectly willing to give him one."

It was shown, when the complete list of bondholders of the Corporation was tabled in the House, that six Companies of which Mr. Meighen was either President or Chairman of the Board, held \$213,000 of bonds; that, in addition to the bonds owned personally by Mr. Henry, the North American Life Assurance Company of which he was a Director, held bonds to the extent of \$200,000 before the exchange by which the Province acquired the Corporation's properties; that the Toronto General Trusts Corporation, of which Hon. Charles McCrea, Minister of Mines in the Provincial Cabinet, was a Director, held \$104,000 of the bonds of the Ontario Power Service Corporation. (*The Mail and Empire*, Apr. 6, 1933). In a statement to the Press on Apr. 6, Mr. McCrea declared: "Neither directly nor indirectly do I own any Ontario Power Service Corporation bonds. I am a Director of the Toronto General Trusts Corporation and I had no knowledge until I saw the Press this morning that trust securities held by them included Ontario Power Service Corporation bonds." (*The Mail and Empire*, Apr. 7).

The following day (Apr. 6, 1933) Mr. Meighen made a statement in the Senate with regard to his personal connection and that of the Companies with which he was associated. This statement in part was as follows: "Negotiations proceeded between certain representatives of the bondholders—in the choice of which neither I nor any one of our companies was even requested to express an opinion—on the one hand, and the Government of Ontario on the other . . . The responsibility was entirely theirs (the Government's), and the method of co-operation was theirs . . . The Government of Ontario asked the Hydro-Electric Power Commission to be its agent in the acquirement of the property, but wholly on the responsibility, present and ultimate, of the Government of the Province of Ontario. In a word, the Commission became a conduit pipe after the determination of the value. But neither before nor after that determination did the Commission ever have the slightest discretion, or ever approach the point where it would have a discretion, the exercise of which would affect the value of the securities in any way at all."

On a divided vote of 74 to 18 the Bill ratifying the Abitibi power development purchase received second reading in the early hours of Apr. 12

after a lengthy and heated Debate which had begun in the preceding afternoon. The Opposition attack had been opened by Dr. G. A. McQuibban (Lib., Wellington), Mr. Nixon (Progressive Leader) and Mr. Sinclair (Liberal House Leader) also speaking before the vote was taken. A feature of the Debate was the approval of the purchase of the Ontario Power Service Corporation by S. C. Tweed (Lib., Waterloo). Other Government Members besides the Prime Minister who took part in the Debate were Hon. Charles McCrea (Minister of Mines) and Hon. William G. Finlayson (Minister of Lands and Forests).

The Prime Minister (Mr. Henry) in moving second reading of the Bill reviewed the contract of 1930 between the Hydro-Electric Power Commission of Ontario and the Ontario Power Service Corporation by which the former had agreed to take over 100,000 h.p. at \$13 per h.p. per annum; this was at a time, the Prime Minister said, when no one appreciated the fact that there was going to be a general slowing down of industry. Proceeding, he gave a summary of incidents which finally led up to the acquisition of the project: About 10 days before the close of the 1932 Session of the Legislature representatives of the Corporation had approached him, asking that the Government take a second mortgage on the undertaking to allow its completion. His answer had been that he could not undertake the responsibility of placing the matter before the Legislature at such short notice, particularly without having all the facts at his disposal. Matters had drifted then from month to month, the Abitibi Company finally on June 1, 1932, refusing to honour its interest coupons and its subsidiary (Ontario Power Service Corporation) also defaulting on interest payments on July 1st.

The Prime Minister pointed out the benefit accruing to the Government by taking over the project: they would have been faced with a loss of \$936,000 if the work had been completed under the contract and power delivered to the Hydro. By taking over the project the loss would be reduced to \$604,000 or a saving of \$300,000, he said. There had been the possibility of the bondholders and creditors completing the work; and there was also the danger of private interests gaining control of the development. At the time of the Ontario Power Service Corporation's stoppage of work, the project was within six weeks of completion and the cost of carrying it to the finish was less than half a million dollars. Realizing how advantageous to the Province was the acquisition of the property, the Government at the time was fearful that if too low a value were offered the bonds would not be turned in for exchange. He concluded by stating that he was quite sure that "of all the measures I have proposed to this House in the past twenty years there has not been one of greater value to the Province and particularly to Northern Ontario." (*The Mail and Empire*, Apr. 12, 1933).

Dr. McQuibban spoke after the Prime Minister. He reviewed the whole Abitibi connection from the leasing of land to the Company by the Ontario Government, to the contract for electric power entered into by the Hydro-Electric Power Commission of Ontario in 1930, and on to the transaction involving the acquisition of the Ontario Power Service Corporation. Speaking of the 1930 contract for power he stated that "the time was inopportune; the mad waters of depression were gaining momentum; the pulp industry was extremely sensitive and its output was being seriously affected." He claimed that it was for a financial expert to determine as to the probability of an industrial enterprise "of this magnitude being successful in all its ramifications in view of abnormal times." He analyzed the visible contract for power of 1932 stating that there must have been "some startling political adventures" at the time. Dr. McQuibban declared himself "whole-heartedly in favour of public ownership of this project but under vastly different circumstances—not the way the Government went about it. It should never have gone through this tangled web . . . I cannot condemn the Government too strongly for its part in the whole series of events. The Government and 'Hydro' knew better . . . the moment it plays ball with the promoters of power it loses its identity and helps itself to a meal it cannot digest."

The position of Mr. Meighen on the Hydro-Electric Power Commission of Ontario, his possession of \$3,000 of Ontario Power Service bonds and his association with investment firms who held blocks of the same bonds was next attacked by Dr. McQuibban; he condemned Mr. Meighen for his statement in the Senate: "From the same place in the Senate from which he uttered the cold and cadaveric words which made a vacant seat in that Chamber and sent an honourable Member to the political morgue, he stands to defend himself. He would have the public believe that both he and the Hydro-Electric Power Commission knew nothing of the pending storm in Abitibi circles." He stated that Mr. Henry had given to the public a full statement of his connection with the matter and that in his (Dr. McQuibban's) judgment the Prime Minister "has incurred severe censure in having any personal connection with this Corporation in view of his position as first citizen of the Province. But . . . he has faced the situation. He does not blame Mr. Meighen. He does not blame anybody. He is still facing the storm and will continue to face it." (*The Globe*, Apr. 12).

Mr. Finlayson defended the action of the Government in originally granting a lease to the Abitibi Company for the development of the power project. He pointed out that the Company at the time had already successfully developed and completed three other power projects at the Canyon. He stated that the Hydro-Electric Power Commission of Ontario had negotiated for electric energy from the new power plant after studying the situation:—there was a growing demand for power; the richest piece of mining district was the Sudbury Basin and there was a market in North Bay and other parts of the north country. He pointed out that, if the Government had not forestalled them, the firm of Nesbitt and Thompson, who were charging \$50 per h.p. would have taken over the transaction. (*The Mail and Empire*, Apr. 12).

Mr. Tweed, Liberal Member for Waterloo, pronounced his approval of the Bill. He believed that "the Government were morally bound to take over the undertaking." He intimated, however, that the bondholders "felt that they had suffered a serious loss in the investment"—a loss estimated by Mr. Tweed as approximately 25 per cent. He prophesied that the transaction would prove, eventually, a profitable one for the Government. He stated that in his loyalty to the Liberal Party he did not take second place to any man; that his attitude to the Bill was due to his belief in public ownership of public utilities.

Mr. Nixon contended that were the House to adopt the Bill it would be placing "its stamp of approval" on a deal which was entirely void of principle. He stated that the Members were being asked "to supinely attach our O.K. to what has been done"; that "\$18,000,000 of the public's money, or their credit has been pledged by the Government and the Hydro-Electric Commission in exchange for \$20,000,000 of the Ontario Power Service Corporation bonds . . . I would most seriously and emphatically protest against the unholy haste with which this Government has rushed to completion this phase of the transaction." He censured the Prime Minister for holding Corporation bonds; also for the secrecy he had maintained concerning them. He considered his case identical to the one that arose in England in 1913, involving two Members of Parliament who had purchased Marconi shares while their Government were negotiating transactions with a subsidiary of the Marconi Company. He claimed that the principles laid down by Mr. Asquith at that time for public guidance applied to Mr. Henry's situation. (*The Toronto Daily Star*, Apr. 12, 1933).

Mr. McCrea defended the 1930 Hydro-Electric Power Commission contract for power from the Abitibi development. He stated that it had been made in good faith; that it was necessary for the development of industries in Northern Ontario; and that Mr. Ferguson (Prime Minister at the time) had shown great foresight in negotiating the agreement. With regard to the acquisition of the Ontario Power Service Corporation he acknowledged that the Government were aware that there might be difficulty in marketing the power; that they might have to take a loss but, if they were going to

save the enterprise, they realized that they would have "to put their hand to the plough." The power plant at Abitibi Canyon had shut down, he said; thousands of men were out of work; the Government could not allow the millions that had already been invested to be wasted. Eventually it was decided to secure for the Province the Abitibi Canyon power development. This transaction, the Minister of Mines pointed out, not only meant an annual saving of \$300,000 but also cheap power for the future development of mining and other industries and incidentally, the provision of employment for the people of Ontario. Mr. McCrea gave a *résumé* of the negotiations with the bondholders of Ontario Power Service Corporation—mainly presidents and directors of large investment houses, holding the savings of widows and orphans, and of insurance companies; the Canada Life, he stated, alone held \$500,000 bonds. He asked if any Member would say that the Government, knowing the class of investor holding the bonds, should have played the part of a "Shylock" during negotiations; would it not be agreed that the terms of the Government were compatible with their duty to protect the small savings of Ontario's citizens?

Scathingly denouncing the "ballyhoo" campaign waged by Opposition forces against the Hydro-Electric Power Commission, Mr. McCrea expressed surprise at the temerity of the Opposition in daring to compare Mr. Meighen's position with the "Beauharnois Scandal" of 1931; in one case a Conservative Senator had purchased three \$1,000 bonds of the Ontario Power Service Corporation long before the Ontario Government or the Hydro-Electric Commission had become involved in the taking over of the Abitibi development; in the other case a Liberal Senator had obtained huge concessions from a Liberal Government. It was true, he said, that the investment companies with which Mr. Meighen was associated had purchased blocks of bonds of the Ontario Power Service Corporation, but were they, he asked, different from other investment companies who, seeking safe investments for their trust funds had gone to the Ontario Power Service Corporation—organized to further the industrial development of the Province. He drew attention to the answers before the House which had been given by Mr. Meighen to questions on the Order Paper and which, he declared, spoke for themselves. Speaking of Mr. Henry's purchase of \$25,000 bonds of the Ontario Power Service Corporation, Mr. McCrea stated that the Prime Minister had the full support of the Cabinet and, he believed, of every Conservative Member. He denied that the situation was analogous to that of the Marconi-shares incident involving two Members of the Parliament of the United Kingdom, when Mr. Asquith laid down certain principles for guidance in all such affairs. Mr. Henry, he pointed out, had purchased the bonds of the Ontario Power Service Corporation before he was Prime Minister and long before the Ontario Government had begun negotiations to take over the Abitibi Canyon development.

Speaking just before the question was put to the House, Mr. Sinclair condemned the wide powers which the Government had given to the Hydro-Electric Power Commission and which rendered the passing of such a Bill as that under consideration unnecessary. In voting against the Bill he stated that he would be voting against the ramifications previous to the purchase rather than against the Bill itself. He termed the Debate "a lot of argument over something which has already been done" and expressed surprise that the details of the agreements entered into by the Hydro Commission and Abitibi had not been made public. Referring briefly to Mr. Henry's ownership of the Ontario Power Service Corporation bonds, the Liberal Leader declared that he still retained his belief in the integrity of those public men who were endeavouring to solve the problems of the day. (*The Mail and Empire*, Apr. 12).

Salaries of the Hydro-Electric Power Commission of Ontario.

Frequent demands were made by Opposition Members during the 1933 Session that the salaries of the three Commissioners and other higher officials of the Hydro-Electric Power Commission of Ontario be made public. On Mar. 27, 1933, the Prime Minister (Mr. Henry), in answer to a question on

the Order Paper (W. G. Medd, Prog., Huron S.), stated that the total wage bill of the Commission for three fiscal years, exclusive of Dominion Power and Transmission Company properties, was: 1930, \$8,979,148; 1931, \$8,170,501; 1932, \$6,270,102; that the salaries paid to the officials of the Commission were wholly within the control of the Commission, which under the Power Commission Act, 1927, Section 7, "may distribute and apportion such salaries, and its decision shall be final. The Hydro-Electric Power Commission is engaged in a commercial undertaking and the Legislative Assembly having given these powers to the Commission, the Government does not believe it is in the best interest of the work entrusted to the Commission, nor in the interest of the municipalities, to publicly disclose the salaries of its employees."

The question was brought up again on Apr. 4, during the Debate on the Budget, by W. E. N. Sinclair, k.c. (Liberal House Leader). "Their salaries are paid by the people, but the people cannot know their salaries" observed Mr. Sinclair. "Their friends pay them with the people's money. They tell the people it is none of their business what they are paid. This Legislature has allowed this."

On Apr. 6, the Order of the Day for the House to go into Committee of Supply having been read, Mr. Nixon moved an Amendment, seconded by T. K. Slack (Prog., Dufferin) "That the Motion that the Speaker do now leave the Chair, and the House resolve itself into Committee of Supply be amended by adding thereto the following words: but this House first asserts its inherent right to have all necessary information, data, and explanation, including answers to questions by Members, return of documents and Orders of the House regarding expenditures of the Departments of the Government and Commissions appointed by the Government and, in this instance, in particular demands an immediate statement as to the salaries of the following officials of the Hydro-Electric Power Commission, the date of the last increase in salary and the amount of the increase in each instance: (a) F. A. Gaby, Chief Engineer; (b) W. W. Pope, Secretary to the Commission; (c) I. B. Lucas, Solicitor to the Commission; (d) Dr. T. H. Hogg, Chief Hydraulic Engineer; (e) E. T. J. Brandon, Chief Electrical Engineer; (f) R. T. Jaffray, Chief Municipal Engineer; (g) W. R. Robertson, Chief of the Railway Division; (h) H. C. Don Carlos, Chief Operating Engineer; (i) W. G. Pierdon, Chief Accountant; (j) A. E. Davidson, Chief of Transmission and Redistribution; (k) W. P. Dobson, Chief of Testing and Research Department." After a Debate of some length and the questions being put, the Amendment was lost, on division, 19 to 52, when the House, according to Order, again resolved itself into Committee of Supply.

A Bill to amend the Power Commission Act, introduced by H. C. Nixon (Leader of the Progressive Party) on Apr. 10, was defeated on division, 19 to 66, when it came up for second reading on Apr. 13. The measure, if passed, would (Section 2) have prevented Members of the Hydro-Electric Power Commission from holding interests "which may affect their position as Commissioners in dealing with matters before Commission"; Section 3 would have fixed the Commissioners' salaries at \$10,000, \$8,000 and \$7,000, respectively, and these sums would have been "deemed to be part of the administration expenses of the Commission." Section 2, Mr. Nixon stated, was aimed at "the anomalous position of Mr. Meighen with respect to his duties on the 'Hydro' Board and his association with numerous corporations whose holdings are most decidedly affected by actions of the Commission. The value of their stocks and securities may be very greatly determined and enhanced by action of the Commission." Mr. Meighen's Companies, he contended, held at least \$213,000 Ontario Power Service bonds. They also held Gatineau, McLaren and other bonds, with all of which concerns the Hydro had dealings.

An unexpected refutation of statements in the House and Press to the effect that exaggerated amounts were being paid to the Commissioners and officials of the Hydro-Electric Power Commission of Ontario was contained in a letter written by the Chairman of the Commission (Hon. J. R. Cooke) to

the Secretary of the Ontario Municipal Electric Association, shortly after the close of the Session in April (1933). It disclosed that only one official in the organization received over \$14,000 a year; that only seven others were paid in excess of \$10,000 a year; that no increase was given to either of the members of the Commission or to any member of the staff in either 1931 or 1932, but that reductions were made in both years, in the former case totalling \$13,500, and that further reductions were being contemplated for 1933. It was also stated that the salary of the Chief Engineer (Mr. Gaby) was less than \$30,000 a year, and lower than that paid to the Chief Engineer under Sir Adam Beck in 1924. Mr. Cooke explained his attitude in refusing all information to the Legislature, declaring that the latter had assumed "an attitude towards the Commission which, if once admitted, would put the Commission in the position of being a Department of Government." The municipalities owning the system, however, had a right to whatever information they desired; hence his reply to the Municipal Electric Association.

Controversy and speculation in connection with the salaries was finally ended, when, several weeks after the close of the Session (*The Mail and Empire*, May 12) the complete wage bill was announced by T. J. Hannigan, Secretary of the Municipal Electric Association, to whom it had been disclosed, upon request, by the Chairman of the Commission. Mr. Hannigan had been supported in his action by two-thirds of the members of the Executive of the Association, Mr. Cooke having expressed his willingness to have the salaries published if the Executive so desired. It was revealed that the full salary payment for 17 officials including the three Commissioners was \$191,733 in 1926, \$194,326 in 1932, and considerably less in 1933 as further reductions were being put into effect. Some of the individual yearly salaries as given were as follows: for the year 1933—the Chairman, \$13,781; the two Commissioners, each, \$8,280; the Chief Engineer, \$24,276, plus \$5,000 as Manager of the Wahnapiatae Power Development; for the year 1932—the Chief Hydraulic Engineer, \$13,894; the Secretary, \$8,944; the Treasurer, \$9,395; the Chief Accountant, \$11,194; the Solicitor to the Commission, \$11,194; the Chief Construction Engineer, \$12,815; the salaries of other officials ranged from \$6,334 to \$11,194.

Charges Made Against a Member. An Inquiry by a Select Committee of the House during the 1933 Session into a statement contained in *The Toronto Daily Star* of Mar. 10, 1933 and reputed to have been made by Gordon Waldron, K.C., was the result of a Motion by Hon. George S. Henry (Prime Minister) seconded by Hon. W. H. Price (Attorney-General). The statement, "If you ask me to state my convictions, I would say that he is being paid to promote that Bill, and in so doing breaks a fundamental law of the country, exposing himself, I think, to criminal prosecution," referred to a certain Optometry Bill introduced in the House by E. J. Murphy (Con., St. Patrick's, Toronto) on Mar. 6, 1933. It was claimed that the said statement and charge were, unless substantiated, a contravention of Section 54 of The Legislative Assembly Act on the part of Mr. Waldron. The Committee, which was composed of Hon. Charles McCrea (Minister of Mines), Chairman; J. F. Hill (Con., Hastings E.); C. E. Richardson (Con., Perth S.); A. B. Smith (Con., Essex S.); D. J. Taylor (Prog., Grey N.); S. C. Tweed (Lib., Waterloo N.); and F. W. Wilson (Con., Windsor E.), presented its Report to the House on Apr. 11. It found that the statement in question had been uttered by Mr. Waldron while acting as Counsel for the Optometry Board, which was sitting and functioning at the time under the Act in the course of an inquiry into breaches of the Act; that Mr. Waldron admitted having made the statement, but claimed that, as it had been made in Court, he was privileged; that the law officers of the Crown advised that there was no right or privilege; that E. J. Murphy had been retained by Hamilton Cassels, K.C., for an agreed fee of \$200 to act as Counsel for certain defendants charged by the Board with having committed infractions of the Optometry Act; that Mr. Murphy was within his rights in accepting the agreed fee of \$200 to defend the persons charged and that in so doing he had committed no breach of The Legislative Assembly Act; that there was no evidence of the

payment of any fee for the promotion of the said Bill and that Mr. Waldron admitted before the Committee that, outside of the said fee of \$200, he had no evidence to submit that Mr. Murphy had been paid to promote the Bill; that Mr. Murphy had been retained by Mr. Cassels on Feb. 23, 1933, that the notice of the introduction of the Bill was given on Feb. 27, that the Bill was introduced on Mar. 6 but if passed was not to take effect until Jan. 1, 1934, and that the trial of the defendants for the offences complained of against The Optometry Act commenced on Mar. 7, 1933; and that finally, the statement or charge by Mr. Waldron had not been substantiated and that it constituted an insult upon Mr. Murphy under Section 54 of The Legislative Assembly Act. No record was made that any further action was taken.

Prorogation: Legislation and Incidents of the 1933 Session

The Fourth Session of the Eighteenth Legislature of Ontario ended on Apr. 13, 1933, the House adjourning to meet formally on the 18th for the Prorogation ceremony by His Honour the Lieutenant-Governor when the Royal Assent was given to 112 Bills, 70 of which were Public measures. Three money Bills were passed: (1) granting certain sums of money for the financial years, 1932-33 (\$4,924,906.22) and 1933-34 (\$35,158,351); and (2) providing for the setting apart out of the Consolidated Revenue Fund the sum of \$3,000,000 for Northern development; and (3) authorizing the Government to raise \$30,000,000 on the credit of the Consolidated Revenue Fund. There were several measures in the interests of the unemployment situation. The two most contentious Acts of the Session were those changing the representation in the House and confirming the Abitibi Canyon Power development purchase. Two unsuccessful Bills introduced by H. C. Nixon, Leader of the Progressive Party, precipitated debates.

An Act respecting Unemployment Relief authorized the Province to enter into agreements with the Dominion and with the municipalities for providing employment and direct relief; permitted the issuing of Debentures by any municipality for such municipality's share of this expenditure; confirmed Orders-in-Council of Sept. 19 and Mar. 30 relating to unemployment relief.

The Relief Land Settlement Act ratified Agreements made by the Ontario Government with the Dominion Government and Municipalities on June 24, 1932, for the relief of certain families in the Province in placing them on suitable farms at an expense borne by the Governments of Canada and Ontario and the participating municipalities; and arranged for appropriation of certain sums to be taken out of the Consolidated Revenue Fund for the purposes of the Act.

The Mortgagors' and Purchasers' Relief Act, 1933 (an extension of the Act of 1932) sponsored by Hon. W. H. Price, Attorney-General, had in mind the alleviation of existing hardships and anxieties of home-owners, both in farming districts and in centres of population. It called for the co-operation of the interests concerned, forbidding proceedings against a mortgagor without leave. Legislation was made applicable only to mortgages and carrying charges executed before Mar. 4, 1932, the date on which the 1932 Act had received Royal Assent; loans after that date were considered as new money and based upon existing economic conditions and depreciated values. Further, it was desirable that loaning institutions be given an opportunity to make mortgage loans from that date on for a reasonable amount. The Act stipulated that in order to affect an amicable settlement as between mortgagor and mortgagee a statement would be required from the former setting forth his or her ability to pay. No proceedings could be taken by way of foreclosure sale except by leave granted upon application to a local judge in counties and districts and to the Master in the County of York. Postponement of mortgage payments would not effect agreement for partial discharges. The Act did not apply to mortgages made to secure bonds of corporations. Relief from paying interest, rent, taxes, insurance, etc., by the mortgagor was given in certain instances for a period of six months; after

that, monthly payments on indebtedness could be paid by way of rent for another period of six months; an extension of the period for a further six months might also be given if need were proven.

The Abitibi Canyon Power Development Act, 1933 (see special Sub-Section) confirmed the acquisition and purchase by The Hydro-Electric Power Commission of Ontario in the action in the Supreme Court between the Montreal Trust Company as plaintiff and Ontario Power Service Corporation Limited and others as defendants of all the real and personal property units and undertaking of the Corporation described in a Deed of Trust and Mortgage, dated July 1, 1930. The Act authorized the completion of the works and issuance of securities by the Commission and the guaranteeing of the payment of the bonds by the Ontario Government. The Act went into force on Apr. 18, 1933.

An Amendment to the Power Commission Act provided for development in unorganized districts in Northern Ontario as Provincial ventures under terms of agreement with the Ontario Hydro-Electric Power Commission.

The Representation Bill (an Act respecting Representation of the People in the Legislative Assembly), reducing the Membership of the Ontario Legislature from 112 to 90 Members, was introduced by the Prime Minister (Mr. Henry) on Mar. 29 and on the following day after receiving second reading was referred to a Select Committee of seventeen Members, afterwards increased to eighteen: the Prime Minister (Mr. Henry) and R. A. Baxter (Lib., Oxford S.), L. Coté (Con., Ottawa E.), H. J. Davis, (Con., Elgin E.), Hon. William Finlayson, K.C. (Con., Simcoe E.), Maj.-Gen. D. M. Hogarth (Con., Port Arthur), Earl Hutchinson (Lab., Kenora), W. H. Ireland (Con., Hastings W.), Hon. Leopold Macaulay (Con., York S.), T. J. Mahoney (Con., Wentworth S.), A. R. McMillen (Con., Lambton W.), G. A. McQuibban (Lib., Wellington N.E.), T. A. Murphy (Con., Beaches), William Newman (Lib.-Prog., Victoria N.), H. C. Nixon (Ind., Brant Co.), C. A. Robertson (Lib., Huron N.), and D. J. Taylor (Prog., Grey N.). The name of Hon. James Lyons (Con., Sault Ste Marie) was added on Apr. 3. The Committee reported on Apr. 11; the Bill received third reading on the 13th, and the Royal Assent on the 18th. The Act was to go into force after the dissolution of the 18th Legislative Assembly. The Committee, in making the reduction of 22 seats, used as a distribution basis a minimum population of 25,000 for a rural riding and of 50,000 for an urban constituency. Toronto in the final result was reduced to 13 seats, a loss of 2.

An Amendment to the Election Act set the minimum time for the nomination of candidates at 25 and the maximum at 60 days after the date of the issuance of the writs of election; and the seventh day after nomination day as polling day; permitted notification of appointments as returning officers by telegraphic communication; stipulated that proclamations be posted up in election districts at least five days before nomination day; called for the furnishing of polling lists; and made provision for an oath to be taken by a blind voter and the ballot of such a voter to be marked by a friend duly qualified by oath.

An Amendment to the Voters' Lists Act provided for the preparation and revision of voters' lists for Provincial Elections in cities, separated towns (of a population of 10,000 and over) and townships (of a population of 15,000 and over); required that entries in future Voters' lists be made designating those voters who were supporters of separate schools; and arranged the time for the making of complaints by voters to the revising officer as not fewer than two days and not more than five before the day fixed for holding sittings for that purpose.

The School Law Amendment Act, 1933, was introduced by the Prime Minister and Minister of Education (Mr. Henry). It extended relief to the counties with respect to the cost of secondary education, and to the townships with respect to elementary schools. It provided also that school boards should present Municipal Councils with full details of their financial condition when asking for the collection of school rates. As a still further economy provision, power was given to close schools having fewer than

eight pupils in attendance while making provision for their education elsewhere. (See page 160).

The Ontario Institute of Radio Therapy Act, 1933 (sponsored by Hon. J. M. Robb, Minister of Health), validated Agreements entered into between the Government of Ontario, the Toronto General Hospital and the Kingston General Hospital for the establishment of cancer radium clinics. Under the Agreement with the Toronto Hospital the Government of Ontario were to pay the Hospital \$45,000 annually and under the Agreement with the Kingston Hospital, \$9,000 annually to the Hospital.

An Amendment to The Highway Traffic Act (sponsored by Hon. Leopold Macaulay, Minister of Highways), was in the interests of safety: (1) drivers of automobiles would in future be required to slow down to a maximum of twenty miles an hour at all level railway crossings; (2) the rule governing left-hand turns was clarified to conform with the prevailing practice; (3) street cars would be required to make a full stop before entering or crossing a through highway.

An Act respecting Collection Agencies was introduced by Hon. W. H. Price (Attorney-General). It provided for the licensing of Ontario collection agencies. The Ontario Securities Commission would administer the Act. The annual licence fee for an agency carrying on business in Ontario which had its principal or head office outside of Canada would be \$50 and for any other collection agency it would be \$2.

Other measures enacted during the Session (1) conferred authority upon judicial tribunals to prevent the publication of obscene and immoral literature; (2) gave statutory effect to any provisions of The Fruit Act of Canada that might be beyond the competence of the Dominion Parliament to enact, reserving the right of the Province to exercise its Legislative authority on the subject wherever occasion might require; (3) provided, as an improvement in the Workmen's Compensation law, that when the accident record of an employer had been constantly good, the Board might reduce any contribution to the accident fund for which such employer was liable; (4) provided for the continuous care of War Memorials; (5) amended the Bulk Sales and the Conditional Sales Acts; and (6) amended the Conveyancing and Law of Property Act. An Amendment to the Succession Duty Act, 1933, placed an additional duty by way of surtax of ten per centum on all duties imposed under the Act.

The Liberal Opposition Leader (Mr. Sinclair), whose three Education Bills had been withdrawn and whose Bill, providing that all pedestrians should carry lights on the King's Highway after sundown, had not been proceeded with, after being referred to the Committee on Legal Bills on second reading, was successful in piloting through the House a Bill to amend the Municipal Act. This Bill, introduced by Mr. Sinclair on Feb. 22 allowed cities with a population of 45,000 or under to have a Mayor and two Comptrollers to act as a Board of Control. It was referred to the Standing Committee on Municipal Law and became embodied in the Municipal Amendment Act, 1933, which received the Royal Assent on Apr. 18. Two other Bills of Mr. Sinclair's were passed: an Amendment to the Assessment Act was embodied in Bill 158, and an Amendment to the Boards of Education Act received Third reading on Apr. 18. His Bill to amend the Election Act received second reading and was referred to the Select Committee appointed to study the best ways of improving the method of preparing Provincial Voters' Lists, but it was not reported.

By a registered vote of 18 to 80 the House on Mar. 29 rejected at second reading a Bill introduced by Mr. Nixon (Leader of the Progressive Party) which would have restricted the life of the 18th Assembly to four years, or, in other words, would have postponed the putting into force of the provision of the Legislative Assembly Act for a five-year term until after a General Election. All Opposition Members, with the exception of W. E. N. Sinclair, k.c. (Liberal House Leader), S. C. Tweed (Lib., Waterloo N.), J. A. Sangster (Lib., Glengarry) and Earl Hutchinson (Lab., Kenora), supported the principle of the Nixon legislation. Hon. Charles McCrea, Minister of Mines,

in a denunciation of the Bill, termed it "a political piece of strategy." Mr. Sinclair, later, in a statement to the Press, explained that he had refrained from voting because he had consistently opposed too frequent elections.

Another Bill of Mr. Nixon's, an Amendment to the Workmen's Compensation Act, was introduced on Mar. 29. Aiming at the drastic reduction of salaries of board officials and the elimination of the superannuation scheme, which had been provided for by legislation of the 1932 Session, the Bill aroused considerable debate. A request for its withdrawal was made by the Attorney-General (Hon. W. H. Price), who contended that the Board as an independent body, had a right to such a scheme if it so desired. Mr. Nixon, however, refused to comply and the Bill at second reading was defeated on division by a vote of 18 to 62.

The Legal Bills Committee, on Apr. 11 rejected an Amendment to the Medical Act (the Osteopaths' Bill), introduced by A. R. Nesbitt (Con., Bracondale), which would have given osteopaths the same status and rights under the Act as physicians. A Select Committee was named comprising Hon. Charles McCrea (Minister of Mines); Hon. J. M. Robb (Minister of Health); A. R. Nesbitt (Con., Bracondale); D. A. C. Martin (Con., Hamilton W.); T. K. Slack (Prog., Dufferin) and W. A. Baird (Con., High Park), to study during Recess the whole question involved.

A Motion, tabled in the House on Apr. 4, of a Beer and Wine Resolution by Wilfrid Heighington (Con., Toronto, St. David's) was later withdrawn. The proposed Resolution called for an extension of the existing system to include the sale of beer and wine in hotels and clubs.

The Report of the Royal Commission appointed to Inquire into Certain Matters concerning the Hydro-Electric Power Commission of Ontario was tabled in the House on Feb. 17, 1933. (This Report was fully recorded in *The Canadian Annual Review, 1932*, as well as the incidents which led up to the Inquiry.)

The Standing Committee on Agriculture and Colonization reported to the House on Apr. 13 that they had decided, on Motion of T. H. Fraleigh (Con., Lambton E.), to ask the Prime Minister to consider the advisability of selecting men from the ranks of the unemployed to work on farms for their board and lodging with a minimum wage to be paid by the Government; and, on another Motion, to ask the Ontario Minister of Agriculture to urge the Federal Minister of Agriculture to continue his investigations regarding the marketing of live stock.

The Report of the Standing Committee of the Legislature on Game and Fish, which had held meetings on Feb. 28, Mar. 15, 16, 21, 24 and 29, was presented to the House on Apr. 7. Many of the recommendations of the Special Committee, which had been investigating the Fish and Game situation in Ontario during 1931-1933, and whose Report had been tabled in the House on Mar. 10 (see under Departmental Reports), had been approved by the Standing Committee.

Questions propounded in the House concerning the amount spent as relief measures on highways in the Province, were answered by the Minister of Lands and Forests (Hon. William Finlayson) on Apr. 3, 1933: On No. 7 Highway, from Actinolite to Bathurst, the sum of \$1,978,264 was spent, of which \$400,000 was paid by the Federal Government; on the Ferguson Highway, \$298,716, of which 40 per cent. was being borne by the Federal Government; and on the Trans-Canada Highway, \$6,333,726, of which 50 per cent. was being contributed by the Federal Government, and a further sum of \$11,611,462 of which 50 per cent. was also being paid by the Federal Government, but less overhead and engineering charges.

Increased deductions on a graded scale in Civil Service Salaries, resulting in a saving of \$600,000 for the balance of the fiscal year ended Oct. 31, 1933, and of more than \$1,000,000 annually on the salaries paid prior to Jan. 1, 1932, were officially announced by the Prime Minister on Mar. 3, following a Cabinet Council. The new schedule, which was to be effective from Mar. 1, included Cabinet Ministers and called for a 5 per cent. reduction on salaries up to and including \$1,000, increasing to 35 per cent. on amounts up to and over \$8,000. (*The Mail and Empire*, Mar. 4, 1933).

The Department of Education; Organizations and Institutions

The 1932 Report of the Department of Education was the third to be submitted by Hon. George S. Henry, LL.D., in his capacity as Minister. Assisting him in the work of this important Service were the Deputy Minister, A. H. U. Colquhoun, LL.D.; the Special Advisor, F. W. Merchant, LL.D.; and the Chief Director, G. F. Rogers. In his Report, Mr. Henry dwelt upon the encouraging features of the period from the educational point of view, the enrolment of schools under Provincial control having totalled approximately 828,000 students or more than 25 per cent. of the population. In connection with the financial situation, however, difficult problems, he stated, had faced and were facing the Department. The restricted accommodation in the secondary schools, consequent upon the abnormally large enrolment, had resulted in the consideration and, in many cases, the adoption of either one of two methods as a solution. These were the rotary plan, by which the classes moved from room to room, thus utilising the school accommodations to their utmost capacity, and the system of the so-called "staggered" classes, by means of which the expensive school plant was made use of for a longer period and the student given a better choice of subjects and the opportunity of doing "homework" in school. Mr. Henry emphasized the economical advantages to be derived from teaching the whole elementary course of study in the elementary schools: "The transfer of fifth-class instruction, as permitted by law, to high schools, where it is termed the Lower School, has unquestionably led to increased expense. . . . Not only so, but if the high schools are relieved of all or part of the Lower School courses, it may be possible for courses to be offered in our best collegiate institutes in advance of anything that is now taught in the Upper School, and in this way relieve the universities and the training schools of some of the preparatory work which is not really of university standard."

Referring to Departmental examinations, which continued to be a cause of unnecessary expense both to the Province and to the parents of pupils, the Minister of Education observed that, in spite of the fact that these examinations were principally for the use of those intending to enter the professions or the universities, only a very small minority of the candidates in 1932 had had this object in view. The matriculation certificate, rather than the school diploma, unfortunately, he claimed, was being regarded as the criterion of the ability and fitness of applicants for positions by most financial, commercial and business concerns in general.

Certain measures passed during the 1933 Session of the Legislature revised township grants on salary to rural boards. Mr. Henry referred to some of these in the 1932 Report of the Department of Education. It was felt, Mr. Henry stated, that the amounts of the grants in question, which had been increased several times since 1907, were larger than "the present stringency warranted". A revision of the scale, therefore, had been made. In order, however, to avoid as far as possible that the saving of the townships should fall upon the school sections, the mode of calculating the legislative grants had been so arranged that any loss in township grants might be made up by gains in the amount of legislative aid. Other school enactments of the 1933 Session mentioned by the Minister, provided against the accumulation of surpluses by trustee boards at the expense of the ratepayers, arranged for the temporary closing of rural schools with a very small attendance, and relieved counties of the cost of high school education under specified circumstances.

The Minister announced that, in view of the over-supply of teachers, and the great demand of boards for teachers with higher qualifications, commencing with September, 1935, the Normal School courses for Second-Class teachers would be discontinued and that all applicants for admission would have to hold the Departmental certificates of standing which were prescribed for admission to the courses leading to First Class certificates. He reported that the number of teachers taking courses for First-Class certificates during the 1932-33 session for the first time had exceeded those taking Second Class

courses; that the increase in the number of fifth form classes in elementary schools had continued, the trustees having shown a greater readiness to meet requests for their establishment; that the attendance at secondary schools in 1932 had shown an 80 per cent. increase over that recorded ten years previously, and, including that at vocational schools, a 120 per cent. increase; that three additional schools representing commercial departments had been taken over to operate under the Vocational Education Act in 1932, thus making a total of 65 vocational day schools in operation; and that day school enrolment had shown an excessive increase and evening class registration, a considerable decline. Mr. Henry drew attention to the reduction effected in the price of vocational text-books, a noteworthy achievement of the year.

The various functions of the secondary school in its relation to the State was discussed in the 1932 Report at some length by the Chief Director of Education, George F. Rogers. The most important aim of the school, he declared, should not be that of a preparatory school for the universities as was reflected in the existing school curriculum; he pointed out that only 10 per cent. of the students in the final year enrolled in colleges or universities in the years 1931 and 1932. "The democratic ideal of education, of which we on this Continent are so proud, does not mean that all shall be given the same education either in degree or in kind, but that each shall have educational opportunities commensurate with his abilities." Certain subjects, such as Latin, Mr. Rogers affirmed, were not essential for the 90 per cent. of students whose purpose was simply to obtain a good general education, and the primary regard of the courses taken in any state system of schools should be for those pupils whose education ceased with high school.

The 1932 Report of the Department contained a more detailed summary than usual of the schools attended by French-speaking pupils; this had been prepared in order that the progress made in the five years since the new plan was instituted might be determined. The percentage of teachers holding first and second-class certificates had more than trebled during that period and results in all phases of instruction showed remarkable improvement. The number of these pupils passing the High School Entrance examination was gradually increasing year by year, those successful in 1932 totalling 1,383 or 3.8 per cent. of the enrolment as compared with 2.5 in 1929. While this was a small proportion when compared with that of the total enrolment of all other elementary schools of 8 per cent., principally owing to the fact that the candidates of the previous three or four years had received their primary training in schools under poorly qualified teachers, before the new system had been put into operation, it was confidently expected that the future would show much greater progress.

During the calendar year 1931 there were 7,172 elementary schools in the Province with an enrolment of 569,984 day pupils. Teachers in these schools numbered 17,459, of whom 296 were university graduates. Statistics for secondary schools, covering the school year 1931-32, were as follows: total number of schools, 493—221 continuation, 207 high and collegiate institutes, and 65 vocational; total enrolment (excluding 45,338 students registered in vocational and 3,350 in other evening schools), 112,461; and number of teachers, 4,135. The Director of Professional Training (Duncan Walker) reported a total enrolment at the Ontario College of Education in 1932-33 of 1,034, in the following courses: Household Science, 11; High School Assistant, 686 (of whom 312 were Specialist); Pedagogy, 246; Librarian, 49; and Specialist courses not included in the High School Assistant's course, 42. The total registration at the Provincial Normal schools was: first year, 2,087, and second year, 109.

In his address at the Annual Convention of the Ontario Secondary School Teachers' Federation on Dec. 28, 1933, the President, J. Jeffries, strongly criticized the attitude of the municipal councils and boards of trustees, who were blaming the high cost of education primarily upon the high salaries paid to teachers. The main reasons necessitating increased expenditure, Mr. Jeffries declared, were the remarkable growth in secondary school attendance,

the depreciation of the dollar and the additional and improved services rendered by the schools. The most important matter discussed at the Convention was that of minimum salaries and a resolution was passed "that the former Federation *minima* be re-established, but subject to a temporary reduction of not more than ten per cent. where local conditions demand such reductions." Other recommendations carried were: that certificates valid in continuation schools should be given only to university graduates; that teachers should be permitted to serve as trustees on school boards other than the ones which employed them; and that Middle School candidates should be required to pass on at least three examinations at one time. F. D. Wallace, North Bay, was elected President, and S. H. Henry, Toronto, was appointed General Secretary for the year 1933.

The excessive cost of vocational schools, particularly those teaching commercial; the need for more emphasis on the teaching of English and History; the prospect of a new system of school grants designed to lessen the cost to both municipalities and the Government; the lack of co-operation between municipal councils and school boards: these were some of the subjects discussed by speakers at the Annual Convention of the Ontario Educational Association at Toronto, Apr. 17-20, 1933. Those delivering addresses included Malcolm MacBeth, President of the Association; Hon. George S. Henry, Minister of Education for Ontario; George F. Rogers, Chief Director of Education for Ontario, and Dr. C. W. Stanley, President of Dalhousie University. The following officers were elected for 1933-34: President, Donald A. Norris, Toronto; Vice-President, F. B. Gavin, Hamilton; and General Secretary, A. E. Bryson, Toronto.

The excellent work for handicapped children, carried on by the School for the Blind at Brantford and the School for the Deaf at Belleville, was continued throughout the school year under review.

The 50th anniversary of the passing of the Public Libraries Act was observed at the 1933 Annual Meeting of the Ontario Library Association at Toronto (Apr. 16-17) when outstanding speeches were made by Dr. A. E. Hardy, Toronto; Norman Gurd, k.c., Sarnia; F. C. Jennings, Inspector of Public Libraries in Ontario; Miss Jean Roos, Cleveland, Ohio; and George Dill, Little Current, Manitoulin Island. Mrs. Norman W. Lyle was elected President for 1933-34 and Miss Muriel Page, Toronto, was made Secretary-Treasurer.

The University of Toronto and its Colleges. The enrolment of students in all faculties of this University during the 1932-33 session totalled 8,327. Degrees conferred at Convocation in June, 1933, numbered 1,338, as follows: Ph.D., 31; M.A., 112; M.S., 1; M.A.Sc., 20; C.E., 1; M.E., 1; E.E., 1; D.Pæd., 5; M.S.A., 5; D.V.Sc., 2; Mus. Doc., 1; B.A., 640; M.D., 116; M.B., 2; B.Sc. (Med.), 3; B.A.Sc., 100; B. Arch., 6; B. Comm., 68; B.H.Sc., 47; B. Pæd., 26; B.Sc.F., 8; Mus. Bac., 5; B.Sc. (Dent.), 4; D.D.S., 37; and Phm.B., 96. Appointments and promotions on the staff during the year included those of E. F. Burton, PH.D., formerly Acting Head, as Head of the Department of Physics and Director of the McLennan Physics Laboratory; G. S. Brett, M.A., formerly Head of the Department of Philosophy, as Dean of the School of Graduate Studies; and Healey Willan, MUS.DOC., F.R.C.O., as University Organist, in succession to F. A. Mouré, MUS.DOC., who had resigned. H. D. Kay, D.SC., resigned as Professor of Biochemistry and W. E. Willmott, D.D.S., as Associate Professor of Prosthetic Dentistry. In December, 1932, three new members were appointed to the Senate of the University; R. B. Beaumont, M.A., representing Trinity College; Dr. G. R. Cruikshanks, the College of Physicians and Surgeons of Ontario; and C. F. Heebner, PH.G., the Ontario College of Pharmacy.

An important announcement of the year was that of the establishment, by means of a substantial five-year grant from the Rockefeller Foundation, of the School of Nursing in place of the Department of Public Health Nursing. This School embraced the functions of the latter Department and also all other courses in nursing, previously given by or in connection with the University. From July 1, 1932, to June 30, 1933, benefactions amounting to

\$217,208 were received by the University. Outstanding among these were: D. A. Dunlap Estate (toward the David Dunlap Observatory, in addition to the site and telescope), \$90,000; Eaton Endowment (annual payment), \$25,000; Rockefeller Foundation, \$46,598; Carnegie Corporation, \$29,044; and E. C. Whitney Bequest, \$7,008.

At several Convocations held throughout the year the University conferred the honorary degree of Doctor of Laws (LL.D.) upon the following: Aug. 11, 1932—Charles Nelson Johnson, D.D.S., Chicago, Ill.; George Norcroft, L.D.S., London, England; and Albert Edward Webster, D.D.S., Toronto; Oct. 17, 1932—Sir James Colquhoun Irvine, C.B.E., St. Andrew's University, Scotland; Dec. 28, 1932—Herbert Eugene Bolton, PH.D., University of California; May 26, 1933—Hon. Herbert Alexander Bruce, M.D., Lieutenant-Governor of Ontario; Sir Josiah Charles Stamp, D.Sc., Kent, England; Harry Augustus Garfield, L.H.D., Williams College, Williamstown, Mass.; Henry Crawford Griffith, M.A., Head Master of Ridley College, St. Catharines, Ont.; Very Rev. Edmund Henry Oliver, D.D., PH.D., St. Andrew's College, Saskatoon; Rush Rhees, A.M., University of Rochester, N.Y.; George Franklin Rogers, Chief Director of Education for Ontario; Carleton Wellesley Stanley, M.A., President of Dalhousie University, Halifax; Robert Charles Wallace, PH.D., D.Sc., President of the University of Alberta, Edmonton; and Howard Primrose Whidden, D.D., D.C.L., Chancellor of McMaster University, Hamilton.

Victoria University's outstanding event of the year 1932-33 was the installation, on Sept. 30, 1932, in Convocation Hall (University of Toronto) of Prof. Walter Theodore Brown, M.A., PH.D., as Principal of Victoria College, and of Rev. Richard Davidson, PH.D., D.D., as Principal of Emmanuel College. The former delivered his inaugural address on "The Contribution of Religion to Higher Education", and the latter, "The Spirit of the College". The Library of the University received two generous gifts during the year: the first, an annual grant of \$5,000 over a period of three years from the Carnegie Corporation, to be used for purchasing books; and, the second, the library (containing more than 30,000 books) of Andrew J. Bell, PH.D., Professor *Emeritus* and former Head of the Department of Classics of Victoria, whose death occurred on Dec. 26, 1932. At the Annual Convocation in Divinity on Apr. 18, 1933, the degree of Bachelor of Divinity (B.D.) was awarded to seven students of Emmanuel College. The honorary degree of Doctor of Divinity (D.D.) was conferred upon the following: Rev. Robert Bond, London, England; Rev. H. W. Avison, M.A., Toronto; Rev. R. O. Jolliffe, Chengtu, China; Rev. G. A. Little, Toronto; and Rev. T. J. Wray, Mossbank, Saskatchewan. The total enrolment of the University was 1,272 for the 1932-33 session, of whom 1,059 were registered in Victoria College (Arts) and 213 in Emmanuel College (Theology).

The enrolment of students at Trinity College for the year 1932-33 was reported as 358. In October, 1932, Rev. William Cecil de Pauley, M.A., D.D. (T.C.D.), joined the staff as Professor of Systematic Theology and Lecturer on Religious Knowledge. At Convocation on Sept. 20, 1932, the honorary degree of Doctor of Divinity (D.D.) was conferred upon Rt. Rev. Arthur Edward Burgett, M.A., Bishop of Edmonton; Very Rev. Edgar Frank Salmon, Rector and Dean of Christ Church Cathedral, Ottawa; Ven. George Warren, Archdeacon of York; and Rev. Canon George E. Simmons, M.A., Kaifeng, China. Rev. Canon Charles Edward Riley, M.A., B.D., Dean of Niagara, and Rector of Christ's Church Cathedral, Hamilton, Ont., was made the recipient of the degree of D.D. (*jure dignitatis*) on Apr. 18, 1933. Bequests amounting to \$15,800 were received by the College during the period under review.

The number of Arts students enrolled in St. Michael's College, including the two Women's Colleges—Loretto Abbey College and St. Joseph's College—was 320 during the 1932-33 session. The degree of Bachelor of Arts (B.A.) was received by 81 undergraduates and of Master of Arts (M.A.) by 7 graduates at the University Convocation in June, 1933. The Institute of Mediæval Studies, under the direction of Professor Etienne Gilson, PH.D., continued its excellent work during the year and, in accordance with its plan of engaging each year a prominent European expert in the field of

mediæval studies, Professor Jacques Maritain, Agrégé de l'Université (Paris) joined the staff during the second semester. It was announced that he would also give a course of lectures during the 1933-34 session. Six members of the Institute, it was stated, were receiving careful training for the work, having been engaged in the previous few years in research work in Rome, Strasbourg, Cracow, Louvain, Paris, Oxford and at Harvard University.

Enrolment at Knox College during the year 1932-33 totalled 60. Administrative duties were undertaken for the season by Rev. Robert Johnston, M.A., B.D., Moderator of the General Assembly of the Presbyterian Church in Canada. Rev. Stuart C. Parker, D.D., was appointed Lecturer in Systematic Theology to succeed Rev. E. Lloyd Morrow. At the Annual Convocation held on Apr. 4, 1933, the honorary degree of Doctor of Divinity (D.D.) was conferred upon Rev. H. A. Abraham, Toronto; Rev. W. H. Andrews, M.A., Toronto; and Rev. W. G. Smith, Glenora, Ont.

Students enrolled for the year 1932-33 at Wycliffe College numbered 60. On Jan. 9, 1933, at a special Convocation, Rt. Rev. Walter Burd, D.C.M., Prince Albert, Sask., and Rt. Rev. L. W. B. Broughall, M.A., Hamilton, Ont., received the honorary degree of Doctor of Divinity. A similar degree was conferred at the 56th Annual Convocation held on Apr. 20, 1933, upon Rev. R. A. Armstrong, M.A., Toronto; Rev. R. A. Hiltz, M.A., D.C.L., Toronto; and Rev. Canon C. H. Marsh, Lindsay, Ont. Rev. W. T. Townsend, Pawtucket, R.I., was also awarded the degree of Doctor of Divinity (in course). On the same evening a portrait by Kenneth Forbes of Rev. Dyson Hague, D.D., Professor of Liturgics and Rector of the Church of the Epiphany, was unveiled and hung in the Memorial Hall.

A total of 1,824 students were registered at the Ontario College of Agriculture, Guelph, during the 1932-33 session, of whom 574 were enrolled in the regular course in Agriculture, 225 in the regular course in Home Economics, 198 in the Dairy Courses (Winter), 61 in the Live Stock Course in Production and Marketing (Winter), 148 in the Horticulture Short Courses and 309 in the Summer Course for Teachers. Sixty-two students received the degree of Bachelor of Science in Agriculture (B.A.Sc.) at Convocation on May 25, 1933. The most important event of the year was the formal opening of the new Administration Building and Students' Residence by His Excellency the Earl of Bessborough, Governor-General of Canada, on Oct. 22, 1932. Addresses were delivered on this occasion, in addition to that by His Excellency, by Hon. George S. Henry (Prime Minister of Ontario), Col., the Hon. T. L. Kennedy (Minister of Agriculture), and Dr. G. I. Christie, President of the College. During the year the staff suffered the loss, through death, of H. M. Baron, B.S.A., Extension Specialist in the Poultry Department; F. Eric Millen, B.S.A., Head of the Agriculture Department and Provincial Apiarist, and George Winton, Floriculturist. It was announced that W. J. Garnett, a graduate of 1932, had won a Rhodes Scholarship at Oxford University, the first ever awarded in Agriculture.

Queen's University, Kingston. Students enrolled during the year 1932-33 numbered 3,919, of whom 330 received the following degrees at Convocation on May 10, 1933: B.D., 1; M.A., 12; B.A., 187; M.Com., 1; B.Com., 29; M.Sc., 10; and B.Sc., 90. H. L. Tracy, Ph.D., was appointed Head of the Department of Latin to fill the vacancy caused by the death of R. O. Jolliffe, Ph.D.; Heinrich Henel, Ph.D. (Frankfurt-am-Main), was made Professor of German and Head of the Department; and John Stanley, Ph.D., succeeded A. B. Klugh, Ph.D. (deceased), as Assistant Professor of Biology. On Nov. 5, 1932, both Their Excellencies, the Earl and Countess of Bessborough, together with Hon. George S. Henry, Prime Minister of the Province, were made the recipients by the University of the honorary degree of Doctor of Laws (LL.D.). At the Annual Convocation on May 10, 1933, the honorary degree of Doctor of Divinity (D.D.) was conferred upon Rev. G. A. Brown, M.A., B.D., Kingston, and Rev. M. F. Munro, B.D., Saskatoon; and that of Doctor of Laws (LL.D.) upon Hon. Herbert Alexander Bruce, M.D., Lieutenant-Governor of Ontario; A. S. Eve, D.Sc., Professor of Physics, McGill University; and W. B. Race, Principal of the Ontario School for the Blind, Brantford. By means of the

Leonard Bequest received during the year four \$500 Resident Research Fellowships were established and one undergraduate Scholarship in each of the Faculties of Arts, Medicine and Applied Science. Fleming Hall, the Electrical Engineering Building of the University, was destroyed by fire caused by an explosion of an unknown origin on June 6, 1933.

University of Western Ontario, London. The enrolment of students for 1932-33 was 1,764. The following degrees, a total of 292, were conferred during the year: B.D., 1; LL.B., 1; M.A., 11; M.Sc., 4; M.D., 37; B.A., 217; B.Sc. (Nursing), 5; C.P.H.N., 15; and C.H.A., 1. At the Autumn Convocation on Oct. 28, 1932, the honorary degree of "LL.D." was bestowed upon William Warner Bishop, Librarian of the University of Michigan; James Henry Bowman, Professor *Emeritus* of Surgery at the University of Western Ontario Medical School; and Henry Marshall Tory, D.Sc., President of the National Research Council, Ottawa. Hon. Herbert Alexander Bruce, M.D., Lieutenant-Governor of Ontario, received the same degree at the Annual Convocation on June 7, 1933.

University of Ottawa. There was a total enrolment at the University of Ottawa in 1932-33 of 2,258, of whom 63 received degrees at the end of the year. A gift of \$25,000 was made to the University in April, 1933, by Hon. Lawrence A. Wilson, Rigaud, in recognition of its achievements in bilingual education. Other important events of the period under review included the approval of minor changes in the Civil Charter of the University, the remodeling of the ecclesiastical charter and the official visit of the Prime Minister of Canada, Rt. Hon. R. B. Bennett. During the year Rev. R. Lamoureux was appointed 1st Vice-Rector; Rev. J. Rousseau, 2nd Vice-Rector and Rev. P. Cornellier, Secretary and Registrar. The honorary degree of "LL.D." was conferred upon Very Rev. Théodore Labouré, O.M.I., Superior-General of the Oblates of Mary Immaculate, Rome, on Feb. 16, 1933; upon Hon. Lawrence A. Wilson, Member of the Senate of Canada, on Apr. 26; upon Very Rev. Monsignor Louis-Adolphe Pâquet, P.A., Quebec; Hon. Thibaudeau Rinfret, Judge of the Supreme Court of Canada; and F. W. Merchant, M.A., LL.D., Special Advisor to the Minister of Education of Ontario, on June 18.

McMaster University, Hamilton. The net total enrolment, excluding duplicates, for the 1932-33 session was 883, divided as follows: Arts, 655; Theology, 45; Graduates, 46; and Extension Course, 150. Degrees conferred in May, 1933, numbered 86—B.A., 74; M.A., 8; B.Th., 3; and English Course in Theology, 1. The following honorary degrees were also bestowed at the Annual Convocation: "LL.D.", upon Rt. Hon. R. B. Bennett, Prime Minister of Canada, and Rev. F. H. Cosgrave, D.C.L., Provost of Trinity College, Toronto; "D.Sc.", upon Horatio H. Newman, Professor of Zoology, University of Chicago; and "D.D.", upon Rev. S. J. Farmer, Owen Sound, Ontario.

Osgoode Hall Law School, Toronto (Law Society of Upper Canada). The Annual Report of the Dean, John D. Falconbridge, K.C., showed registration of students for 1932-33 as follows: first year, 90; second year, 99; third year, 65; and total, 254. Under the arrangement for exchange lectures, the Dean, Osgoode Hall, visited Dalhousie University; Hon. P. B. Mignault, K.C., LL.D., McGill University, visited Osgoode Hall, and Prof. Vincent C. MacDonald, Dalhousie, visited McGill.

Agriculture; Other Departmental Reports

An increase in 1932 in agricultural production over the previous year and a decrease of \$45,677 in the gross value derived therefrom was shown in the comparative statistical tables compiled by the Ontario Department of Agriculture (Minister, Hon. Thomas L. Kennedy) for the year 1932, and given below. The total value of all live stock declined 16 per cent. during the year, amounting to \$144,580,416 at June 1, 1932, as compared with \$171,732,345 on the same date in 1931. An increase was reported in the number of horses, swine and cattle on farms and a decrease in the number of sheep and poultry. The total value of all farm

property, including land, buildings, implements and live stock on hand at June, 1932, amounted to \$1,616,584,912.

Estimated Gross Agricultural Revenue of Ontario

	1930	1931	1932*
Field Crops	\$179,919,000	\$124,541,000	\$113,904,000
Farm Animals	60,738,000	33,486,000	23,222,000
Wool	632,000	458,000	287,000
Dairy Products	103,194,000	56,519,000	46,422,000
Fruits and Vegetables.....	20,207,000	16,424,000	11,969,000
Poultry and Eggs.....	41,461,000	29,491,000	21,797,000
Fur Farming	817,000	603,000	463,000
Maple Products	1,576,000	1,674,000	951,000
Tobacco	6,244,000	6,814,000	5,703,000
Flax Fibre	371,000	179,000	170,000
Clover and Grass Seed.....	1,855,000	1,110,000	615,000
Honey	870,000	824,000	800,000
TOTALS.....	\$417,884,000	\$272,123,000	\$226,446,000

* Subject to revision.

The acreages devoted to other crops in 1932 were as follows: orchards, 203,800; strawberries, 8,700; vineyard, 15,200; other small fruits, 14,100; summer fallow, 221,700; pasture (cleared), 3,012,500.

Tobacco. It is estimated that 45,100 acres were grown in 1932, yielding 45,759,800 lb. or 1.014 per acre.

Rape. The estimate for 1932 was 14,400 acres.

Final Estimate of the Value of Field Crops for 1933, as compared with 1932

Field Crops	Year	Acre	Bush. Per Acre	Total Bush.	Value Per Unit	Total Value
Fall wheat	1932	536,300	28.1	15,061,600	\$0.49	\$ 7,380,000
	1933	559,000	25.1	14,031,000	.66	9,260,000
Spring wheat	1932	100,100	19.9	1,990,400	.48	955,000
	1933	96,700	17.2	1,663,000	.67	1,144,000
Oats	1932	2,338,600	32.3	75,517,400	.25	18,879,000
	1933	2,315,700	28.3	65,543,000	.33	21,629,000
Barley	1932	456,000	30.2	13,771,000	.38	5,233,000
	1933	461,200	26.1	12,037,300	.41	4,935,000
Fall rye	1932	57,500	17.8	1,024,000	.39	399,000
	1933	54,000	16.9	913,000	.51	466,000
Flaxseed	1932	6,300	9.8	61,600	.90	56,000
	1933	5,500	9.0	49,500	1.20	59,000
Mixed grains	1932	986,200	33.8	33,327,100	.33	10,998,000
	1933	946,800	29.1	27,552,000	.38	10,470,000
Buckwheat	1932	196,550	22.9	4,511,000	.36	1,624,000
	1933	207,100	21.0	4,349,000	.42	1,827,000
Corn for husking, shelled	1932	130,300	38.9	5,057,000	.45	2,276,000
	1933	136,600	37.0	5,054,000	.56	2,830,000
Peas	1932	59,500	18.0	1,071,300	.65	696,000
	1933	58,700	16.0	939,000	.80	751,000
Beans	1932	61,800	17.1	1,059,600	.49	519,000
	1933	52,300	14.9	779,000	.92	717,000
Potatoes	1932	156,300	101.5	15,859,600	.42	6,724,000
	1933	157,500	92.0	14,490,000	.60	8,694,000
Turnips, mangolds and carrots	1932	100,000	386.0	38,587,000	.08	3,087,000
	1933	100,300	312.0	31,285,000	.12	3,754,000
Sugar beets	1932	33,300	10.8	357,000	6.25	2,231,000
	1933	31,900	10.0	319,000	6.25	1,994,000
Fodder corn, green.....	1932	285,300	9.02	2,574,000	2.50	6,435,000
	1933	286,000	8.53	2,440,000	3.00	7,320,000
Hay and clover.....	1932	2,780,300	1.59	4,420,700	7.39	32,669,000
	1933	2,769,600	1.49	4,127,000	8.41	34,708,000
Alfalfa	1932	527,800	2.66	1,403,900	8.21	11,527,000
	1933	560,500	2.32	1,300,000	7.71	10,023,000
Alsike	1932	95,100	1.51	143,700	6.39	918,000
	1933	92,300	1.36	126,000	7.01	883,000
Sweet clover	1932	318,550	2.21	705,100	5.25	3,702,000
	1933	303,100	2.08	630,000	5.15	3,245,000
Total Acreage	1932	9,225,800			Total Value—1932	\$116,308,000
Total Acreage	1933	9,194,800			Total Value—1933	124,679,000

The volume of field crop production in 1933 was 9.7 per cent. less than in 1932. This was due to unfavourable growing conditions during June and July. Farm prices, however, had shown a rise of 19 per cent. over the previous year and as a result the total value of crop production showed a gain of \$8,371,000, or 7.2 per cent. in excess of 1932. This was the first year since 1928 that the value of crops had registered an increase over the preceding year.

According to the Report for the year ended Oct. 31, 1932, of the Agricultural and Horticultural Societies Branch of the Department, agricultural fairs and exhibitions held in 1932 did not suffer from prevailing economic conditions, in comparison with other years, either in numbers or in quality. 302 fairs were held under the auspices of the Societies and assistance was given to 59 fairs, in the way of wet-weather grants, to the extent, however, of only 21 per cent, as compared with 90 per cent. the previous year, the appropriation from the Department having been reduced from \$10,000 to \$5,000. As appropriations for field crop competitions were suspended by both Dominion and Provincial Governments, none were held in 1932. Horticultural Societies, numbering 296 in all, successfully continued their efforts toward the beautification of the Province.

The Live Stock Branch stated that a joint Federal-Provincial Boys' and Girls' Club policy, under which two clubs were formed in 1932 had replaced the policy inaugurated in 1928, which had resulted in the formation of 57 clubs with a total membership of 700; that supervision over the clubs would be continued, however, until the termination of the last agreement in 1935. There were 4,512 lambs marketed at lamb fairs conducted by the Federal and Provincial Live Stock Branches during the year. Applications for bonus amounting to \$2,255 on 462 rams were received by the Provincial Branch. The improvement of bacon hog breeding from a community standpoint was the objective of the new policy inaugurated early in 1932, by which boars were lent to clubs consisting of at least 10 members, owning 25 or more sows of approved bacon type. There were 17 of these clubs formed in 1932, and a total of 68 boars placed, 51 of which were purchased for replacement in old clubs. A new boar bonus policy was also announced, under the terms of which any club or individual purchasing an approved boar would receive a \$15 bonus.

Forty new Women's Institutes were organized during the year, and 71 two-weeks demonstration-lecture courses and 63 three-day courses were conducted, with a total enrolment of 2,849.

Returns to the fruit grower, as reported by the Fruit Branch, were not very favourable during the period under review, owing to the lowered buying power of the consumer and the lack of organization, the latter condition particularly affecting the disposal of the grape crop and resulting in the "most disastrous year in the history of the Ontario grape industry." The strawberry crop was heavier than usual and the raspberry crop lighter, but marketed to better advantage. The fact that a large volume of the peaches arriving at the market were in an unripe condition was noted. Low peach prices received on the English market in 1931 precluded any car shipments in 1932. It was hoped that the new duties against foreign fruit entering British markets would effect a favourable reaction the ensuing year and that Ontario producers would be able to supply part at least of the enormous quantities sent to those markets from the United States. A decreased spraying service, owing to the necessity of curtailing expenditures and to the occurrence of frequent rains in May, June and July, resulted in the prevalence, to an unusual degree, of both insect and fungus diseases in the central part of the Province.

The Dairy Branch reported an improvement in quality and an increase in production of cheese for the 1932 season (Apr. 1—Oct. 31) 80,661,869 lb. being manufactured by 722 factories, as against 75,823,929 lb. by 719 factories in the previous year. Butter production showed a decrease from 1931.

The fact that "the 1932 total volume of agricultural output was one of the largest in the history of the Province" combined with "low purchasing power and flooded markets at home and abroad" created an almost overwhelming task for the Crops, Co-operation and Markets Branch during the period under review. Exhibits, competitions, articles and news items in the Press, and radio broadcasts, were a part of the intensive programme of this Branch throughout the season. In April, 1932, an investigator was appointed to study the live stock market with special reference to the truck movement of live stock, new problems having been created by the rapid change from

rail to truck shipment, and also to the means of preventing the bruising of animals. Nineteen more co-operative societies were incorporated during the year, and through the Co-operative Marketing Loan Act, loans amounting to \$13,080 were made to eight organizations. Considerable improvement was reported in the marketing of potatoes through the efforts of the Branch. The activities of the Ontario Marketing Board in 1932 included an exhaustive study of export markets, particularly those of the United Kingdom; an investigation of egg-marketing conditions in the Province, which led to the passing of Provincial legislation, on recommendation of the Board, by which the Federal Egg Grading Regulations of 1929 were applied in Ontario—with the result that home-produced eggs in 1932 were receiving higher prices on local markets, as compared with imported supplies, rather than *vice versa* as formerly; an examination of the problem of cheese-milk prices, as a partial solution of which the Board recommended that all milk producers should organize themselves into commodity associations; and the continued study of projects initiated the previous year.

Loans amounting to \$10,861,975 in connection with 4,157 applications were passed by the Agricultural Development Board in 1932. A decrease of about 10 per cent. from 1931 and 33 per cent. from four years previously in the size of individual loans was reported. Total debentures outstanding at the end of the fiscal year were \$43,700,000 secured by mortgages. This sum included new debentures of \$8,500,000 (the actual amount of loans paid out in 1932), less repayments of debentures amounting to \$1,200,000. Sale proceedings and quit-claim deeds resulted in 78 farms being turned over to the Board. 88 farms were sold. The demand for the service of short-term loan associations was stated to have increased, the total outstanding being \$192,972, an increase of a little over \$20,000 in spite of the repayment of \$12,000 of principal.

Department of Mines. The Preliminary Report on the Mineral Production of Ontario in 1932, prepared by W. R. Rogers and A. C. Young and submitted to Hon. Charles McCrea, Minister of Mines, stressed the significance of the record world gold production of 1932, with regard to its inevitable effect on commodity prices. Of Canada's gold output, which ranked second in quantity among those of other countries, Ontario produced 75 per cent., namely 2,287,280 oz. with a value of \$47,282,274, as compared with 2,085,815 oz. with a value of \$43,117,615 in 1931. In addition, exchange compensation, which was the amount equivalent to the exchange premium on New York funds by which producers were reimbursed when paid in Canadian funds by the Federal Department of Finance, totalled \$6,164,271. Twenty-nine properties were in operation during 1932: ten in the Porcupine belt, eight in the Kirkland Lake belt, seven in the north-western section of the Province, and four under the miscellaneous heading. Porcupine showed a gain in output over the previous year of 7.1 per cent. or \$1,523,667; Kirkland Lake, 8.8 per cent. or \$2,084,121 and North-western Ontario, 37.2 per cent. or \$597,291. Besides the increased production of the larger mines, two other features characterised the gold mining industry during the year under review, namely, the development of the smaller mines and the stimulation of prospecting, owing to the poor market conditions for base metals such as copper, lead and zinc. Activities during 1932 included: the bringing into production of the Ashley mine in Bannockburn; the reopening of the Cræsus mine in Munro township; successful operations in the Swayze area; mill enlargement to 100 tons at the Parkhill in the Michipicoten area; diamond-drilling with encouraging results at Little Long Lac in Thunder Bay district; freighting to the Central Patricia mine in the Crow River area by means of aeroplane; the erection of a small mill on the same property; and investigational work at several former gold producers in Kenora district and at Cedar Island on Lake of the Woods.

In spite of the slight recovery experienced in the nickel industry during the last few months of 1932, total figures for that year showed a further decline, the quantity of ore smelted, 793,552 tons, being only 46 per cent.

of that of 1931 which was 1,689,874 tons, while ore shipped amounted to 790,614 tons as compared with 1,690,192 tons. The slowing down of International Nickel operations was responsible for this decrease, the increase resulting from the improvement in the European trade, which was supplied by Falconbridge Mines, Limited, from its refinery in Norway, having been too small to affect the total decline. The latter producer had a 250-ton concentrator under construction, planned for operation in April, 1933, while the capacity of the 325-ton smelter, completed in 1930, was increased in December, 1932, to 450 tons daily. A decrease was also reported in nickel refining and operations at Port Colborne were considerably reduced. Blister copper received for treatment in 1932 totalled 83,078,293 lb., of which 70,685,237 lb. was of Ontario origin and 12,393,056 lb. from Manitoba. From the total treated, 75,157,299 lb. of electrolytic copper in the usual forms were recovered. The imposition on June 24, 1932, of a tariff of four cents a pound upon Canadian electrolytic copper, hitherto free of duty, entering the United States, caused Canadian producers to seek buyers in the European market with the result that England, France, Germany, Belgium, Holland, Sweden, Italy and Denmark purchased Ontario copper, in the order named. The total platinum metals recovered in the electrolytic refining operations of the nickel-copper industry amounted to 64,648 fine oz. valued at \$1,989,260, while silver, though recovered in greater quantity (667,620 oz.) had a value, much lower, of \$201,161. 23,031 oz. of gold with a value of \$476,093 were recovered.

The low price (27.89) of silver and the depressed market for cobalt in 1932 caused a further decrease in sales of silver to 6,220,278 oz. with operations almost wholly confined to the O'Brien mines at Cobalt and Cross Lake and the Miller Lake O'Brien at Gowganda. No radium-bearing ore was produced from Ontario deposits in 1932, although operations were being carried on by several companies. Figures reported for the non-metallic group were encouraging, increases having occurred in natural gas, petroleum and salt. Decreases were noted in gypsum, feldspar and quartz. The total value of the items concerned was \$7,181,750 as against \$7,642,308 in the previous year. Clay products sold in 1932 were valued at \$1,715,282, compared with \$3,439,362 in 1931.

Quantity production of the principal minerals in the Province in 1932 (preliminary figures) was as follows:

Gold (oz.)	2,287,280	Lead, pig (lb.).....	86,477
Silver (oz.)	6,220,278	Arsenic (lb.)	2,424,342
Copper, metallic (lb.).....	59,401,323	Natural gas (M. cu. ft.).....	7,244,624
Nickel, including nickel oxide and salts (lb.)	30,327,968	Petroleum, crude (bbl.).....	130,343
Platinum metals (oz.).....	64,648	Salt (ton)	231,138
		Cement (bbl.)	1,599,342

Department of Lands and Forests. A decided decrease in timber production and greatly restricted operations had a marked effect upon the revenue of the Department of Lands and Forests during the year ended Oct. 31, 1932, according to the Report covering that period, submitted by Hon. William Finlayson, Minister. The net revenue, \$2,455,021, was approximately one million less than that of the previous year. Gross revenue totalled \$2,730,870, of which sum \$2,110,841 was timber revenue and \$620,029, collections from the sale and lease of lands for all purposes and from casual fees and refunds. Net expenditures were \$2,410,726, a decrease of \$826,593 from 1931.

The quantity of Red and White Pine cut was only 28,761,884 ft.b.m., 25 per cent. of the 1931 output; that of Jack Pine was 32,005,534 ft.b.m., an increase over the previous year of approximately 4,000,000 ft.; hewn ties numbered 609,528, almost 60,000 less than in 1931 and about 800,000 less than in 1930. Other species of log timber decreased by over 9,000,000 ft.b.m., the bush cut being only 21,024,566 ft.b.m. The pulpwood cut on Crown areas totalled 176,726 cords, a decrease over the previous year of 88,860 cords, and the quantity of exportable material cut on settlers' lands was 176,425 cords. The fact that only 138,944 cords were really exported reflected the restricted nature of the United States market, to which country over 400,000 cords were exported in 1931. Seventy-five per cent. of the total cordage exported was

taken from patented land. Bush operations were confined to 241 camps employing 7,000 men and only fifteen sales of timber areas were made in 1932 compared with thirty in the preceding year. Timber licences, issued during the seasonal year ended Apr. 30, 1932, numbered 688 and covered an area of 13,947 square miles.

Free grants of land totalling 70,269 acres were made to 570 persons in 1932, 120 more than in the previous year, and 82,399 acres were sold to 963 purchasers. Free Grant cancellations numbered 430 and Sale cancellations, 996, as compared with 392 and 761 respectively in 1931.

The Forestry Branch of the Department reported 2,073 fires, the largest number on record, for the period under review. The total area burned was 679,021 acres, of which three-fifths was in the Hudson Inspectorate. Lightning and campers' carelessness were responsible for most of the damage done. Trees distributed throughout the year to 6,728 people for private planting numbered 8,352,939, and 305 schools were the recipients of about 144,230.

A Report on the operations carried on under the provisions of the Northern Development Act, 1927, during the year ended Oct. 31, 1932, was presented to Hon. William Finlayson, Minister of Lands and Forests, by C. H. Fullerton, Deputy Minister of the Department of Northern Development. Miles of new road constructed and opened to traffic, by all services under the administration of the Department, totalled 592 during the year under review, while 3,406 miles were repaired. Gravel was distributed on 1,225 miles of new road and upon 3,099 miles of road under repair. New bridges built numbered 207, of which 192 were wood, 11 steel and 4 concrete; bridges replaced totalled 39, and repaired, 268. Unemployment relief work was actively continued until Apr. 30, 1932. Figures taken from one week in January showed 276 camps, employing 10,870 men, in operation under the system at that time. Work on the Trans-Canada Highway, carried on until April, 1932, on the Unemployment Relief basis and after that date by Board Camps, made favourable progress during the year. The section between Kenora and Manitoba Boundary giving Kenora people an outlet to Winnipeg was formally opened on Dominion Day, 1932, and some of the new sections between Pembroke and North Bay, Schreiber and Port Arthur, Fort William and Shabakwa were reported to be completed and already travelled. Gross Expenditure of the Department for 1932 amounted to \$16,210,279, but after transferring to the Department of Labour the following items: Trans-Canada Highway, \$6,070,194; General Work—Unemployment Relief, \$4,733,749; and Ivanhoe Dam, \$35,746, there was a Net Expenditure of \$5,370,590.

Department of Game and Fisheries. The Annual Report of the Department (Minister-in-Charge, Hon. George H. Challies, and Deputy Minister, D. McDonald), covering the year 1932, disclosed a decrease in practically every source of revenue during that period. Revenue received from game was \$332,775, of which \$239,039 was from licences and \$93,736 from royalty; from fisheries, \$244,188, of which \$231,312 was from licences and \$11,761 from royalty; and from general items, \$34,256. The total revenue was \$613,785, as compared with \$715,463 in 1931; approximately two-thirds of the total decrease was accounted for by a reduction of \$66,251 in the sale of non-resident hunting and angling licences. Total Expenditure amounted to \$629,176, as against \$744,070 in the previous year, leaving a deficit of \$15,391.

The most interesting item of information reported with regard to the different species of game was the shipment into the Province during the year of a carload of elk—twenty-five animals in all. It was hoped that a continuation of this policy would eventually mean the permanent establishment of the species in Ontario. No improvement was reported in the number of caribou and a continuation of the close season was recommended. The number of quail increased during the year under review, many having been observed in the extreme south-western counties. Pelts of fur-bearing animals taken in 1932, other than those raised on licensed fur farms, on which royalty was paid, numbered 930,017, with a value to the trapper of \$1,264,146, as com-

pared with 931,282 pelts with a value of \$1,756,979 taken in the preceding year. Ranch-raised silver and black foxes, dressed or exported, upon which royalty was not payable, numbered 19,961, with a value of \$555,914. There were 1,505 fur farmers' licences issued during the year and at Dec. 31, 1932, the number of animals stocked on these fur farms was 25,004. Five new Crown Game Preserves, representing an area of approximately 18,500 acres, were established in 1932; this made a total of 61 game sanctuaries in the Province. Applications were received by the Department for the payment of bounty on 2,872 wolves, an increase of 121 over the previous year.

Individual biological surveys of waters carried out in 1932 numbered 120, of which 11 were of a partial character. Eleven lakes and rivers were closed to all fishing during the year and special studies were made concerning the possibilities of augmenting the supply of small-mouthed black bass in Lake Penage by the utilization of neighbouring lakes, and with regard to the advisability of closing, for sanctuary purposes, Deep Bay, Sparrow Lake. The quantity of fish planted in Provincial waters was estimated at 585,156,371, as against the 1931 estimate of 543,053,884. The fisheries' yield in 1932 amounted to 30,865,188 lb., with an estimated value of \$2,286,573. The net decrease from the previous year was 2,342,628 lb.

The Report of the Special Committee (Chairman, W. D. Black) of the Ontario Legislature, appointed in 1931 to inquire into the general game situation in Ontario, and to recommend measures of improvement, was tabled in the Legislature on Mar. 10, 1933. It was strongly recommended that the Department of Game and Fisheries should be brought under a separate member of the Cabinet, with Portfolio; that the Tourist and Publicity Bureau should be allocated to the Department; that the Game and Fisheries Act should be codified; and that power should be reserved to the Department to pass regional regulations respecting restriction, open season, or lengthening or shortening trapping seasons. Co-operation with the Province of Quebec was urged with regard to the prohibition of the sale of wild duck and partridge in the open market; more uniformity in the game laws of the two Provinces and the definite marking of the inter-Provincial boundary upon waters of the St. Lawrence and Ottawa Rivers. The leasing of Indian lands for shooting purposes was condemned as constituting a serious menace to the conservation of waterfowl. Included among the remaining recommendations submitted by the Committee were: the institution of a closed bear season from May 15 to Sept. 15, inclusive; the prohibition of the shooting or pursuit of deer and moose in the water and the compulsory return from each hunter of his take and weight of take; the fixing of the wolf bounty of the Provinces of Ontario, Quebec and Manitoba on the same level; condemnation of and an investigation into the extensive practice of the baiting and use of live decoys, on shooting preserves and public shooting grounds; the prohibition of the field training of bird dogs in the Summer months; and the establishment of a Provincial-wide gun licence, no licence to be issued in the Summer months, except for farmers. It was also suggested that the Department confer with Federal authorities with regard to plans for allowing Indians to trap exclusively over Patricia, all Crown land areas south and east of Patricia being treated as "occupied" lands in terms of the Robinson treaties.

Department of Public Works. Details of Departmental expenditure for the fiscal year ended Oct. 31, 1932, as given in the Annual Report, reflected the enforcement of strict economy in every branch. The Total Expenditure was \$3,179,386, a reduction of \$832,191 from that of the previous year, and was divided as follows: public buildings (Parliament Buildings, hospitals, schools, etc.), \$2,224,103; maintenance and repair of Government buildings, \$583,066; public works (locks, dams, bridges, etc.), \$169,076; salaries, contingencies, etc., \$77,760; drainage aid to municipalities, \$98,143; special warrants, \$25,203; and Minister's salary, \$10,000. There were 150 municipal bridges constructed during the year, 38 of which were built of concrete, 46 of timber, 11 of steel and 55 metal pipes.

Department of Labour. The average index number of employment in Ontario for the fiscal year ended Oct. 31, 1932, was 91.1 as compared with 103.1 for the previous year, according to the Annual Report of the Department of Labour. In manufacturing, the iron and steel industries showed the greatest reductions, while lumbering products came second. The highest levels of employment, maintained in the services, mining and trade groups, were considerably lower than the 1931 levels. That for the construction industry was 47 points lower at October, 1932, than at the same date in the previous year. Provincial Government expenditures on unemployment relief during the year under review amounted to approximately \$14,000,000, one-half of which was spent on work relief, mostly in the nature of highway construction and aid to municipal public works. This was a substantial increase over the total of \$5,000,000 spent in the previous year.

Placements made by the Ontario Government Offices during the fiscal year numbered 181,533, of which 131,220 were for work of a casual nature, and 50,313 for regular employment. This was a decrease from the previous year of 79,710. The vacancies reported in 1932 totalled 188,264 and the applications, 317,514, as against 270,961 and 414,735, respectively, in 1931. The Boiler Inspection Branch supervised 303 first, 138 second, and 243 final inspections of new pressure vessels; and 1,240 first and 196 final inspections of used pressure vessels. The sum of \$12,624 was submitted to the Provincial Treasurer by the Branch. Certificates issued during the fiscal year by the Board of Examiners of Operating Engineers numbered 17,505, while the number of candidates examined totalled 1,717, as compared with 18,200 certificates issued and 2,198 candidates examined during 1931. The Net Revenue of the Board for the year amounted to \$25,383, as against \$25,891 for the previous year. Stronger efforts than usual to ensure proper standards of working conditions in the Province were made by the Factory Inspection Branch, inspections and revisits during 1932 numbering 23,148, an increase of 1,209 over 1931. 14,830 establishments, with 270,102 employees on the payrolls, were visited, an increase of 536. The Apprenticeship Branch reported only 86 new registrations for the year, as compared with 142 in 1931, owing to the difficulty of finding employers for boys seeking to be indentured.

The Minimum Wage Board (Chairman, R. A. Stapells), in its Annual Report for the fiscal year 1931-32, submitted to the Minister of Labour, Hon. J. D. Monteith, M.P., declared that the decrease which had taken place in the cost of living was felt to be too slight to justify a reduction of the yearly minimum wage for the working woman of \$650 previously fixed by the Board. This wage provided \$364 a year for board and lodging; \$115 for clothing; and \$171 for sundries. There were 44,453 female workers employed in 2,174 factories during the year under review, as compared with 47,086 workers, employed in 2,211 establishments in 1930-31. The average rate of wages in this factory group in 1931-32 was \$13.04 per week. Statistics furnished by 74 firms employing approximately 3,128 office workers disclosed that the lowest weekly wage paid to the employees concerned was \$10.00; that the average wage paid was \$19.33 per week and that the average hours worked were only 39.5 per week. The average weekly rate of wages in all classes throughout the Province during the year ended Oct. 31, 1932, was \$13.66. Complaints received during the year numbered 447, only one of which had to be settled through the medium of the courts.

Department of Highways. Total Expenditure of the Department of Highways for the fiscal year ended Oct. 31, 1932, was \$9,936,759, of which \$6,680,404 was on Capital and \$3,256,355 on Ordinary Account. Of the total, \$4,375,774 was spent on the King's Highway; \$3,670,335 on county roads and \$1,890,651 on township roads. Revenue for the year totalled \$19,717,911, made up of \$7,376,673 derived from licence fees and \$12,341,238 from the gasoline tax.

Registration of motor vehicles in 1932 was as follows: passenger cars, 462,923; commercial vehicles, 61,347; motor cycles, 4,088; public vehicles, 590;

public vehicle operators, 100; public commercial vehicles, 3,397; and public commercial vehicle operators, 1,938.

Department of Health. The unusually low incidence of communicable disease in the Province in 1932 was the most noteworthy fact recorded in the Annual Report covering the calendar year 1932 of the Department of Health. The greatest decrease was in diphtheria, the cases reported numbering only 1,496. There were 451 cases of typhoid fever and 91 of smallpox. The need for more effective methods of control with regard to scarlet fever was stressed. Concerning cancer, it was stated that one active-treatment clinic with twenty beds for indigent patients had been established in connection with the Kingston General Hospital, and that negotiations had been completed for a similar clinic of fifty beds at the Toronto General Hospital. The expense of equipment and accommodation of the former was estimated at \$200,000 and of the latter, approximately \$500,000. These clinics were to be designated Ontario Institutes for Radio-Therapy. A substantial increase in laboratory work was reported, particularly in the examination of milk and water and in the serological examination of spinal fluid; interesting work was done in connection with the culturing of tubercle organisms.

The Report for the year 1931 of the Registrar-General (Hon. George H. Challies) recorded the registration of 69,209 live births, 35,609 of which were boys and 33,600, girls, a total decrease from 1930 of 2,054. The birth rate, which was 20.2 per 1,000 of population, was the lowest since 1895. Marriages in 1931 numbered 23,771, as compared with 25,605 the previous year. There were 85 divorces granted by the Ontario Courts during the year under review. Deaths showed a decrease of 1,608, totalling 35,705 or 10.4 per 1,000 population, the lowest rate since 1895. A new low rate of 50.4 was established for deaths from tuberculosis, the total number being 1,728. Cancer, on the contrary, showed an increase, deaths totalling 3,726 or 108.5 per 100,000 population. Other causes of death were: organic heart disease, 5,818; pneumonia, 2,305; influenza, 1,084; external causes, 3,238; apoplexy, 1,268; diseases of the arteries, 3,165; infant mortality, 4,833; maternal mortality, 372; and suicides, 426.

According to the 63rd Annual Report upon the Hospitals and Sanatoria of Ontario (Inspector, A. L. McPherson) there were, at the close of the fiscal year ended Sept. 30, 1932, 162 institutions in operation and participating in Provincial grants, and 84 private institutions, classified as follows: 119 public hospitals, 24 Red Cross hospitals, 7 hospitals for incurables, 12 sanatoria for consumptives, 80 private hospitals, and 4 private sanatoria. Four new institutions were approved during the year while two hospitals, the Toronto Orthopædic and Misericordia in Ottawa, went out of existence. The Consolidated Statement showed: adult bed capacity of all the institutions, 15,639; nursery cots, 1,896; patients under treatment during the year, 228,569; employees, 11,116; total revenue, \$13,786,882; and total operating expenses, \$12,500,094.

The Mental Hospitals Division of the Department of Health reported that during the year ended Oct. 31, 1932, accommodation had been secured for 564 more patients, the total number under treatment at the end of the fiscal year being 11,052, while the *per diem* cost had been decreased from .92 cents in 1931 to .80 cents in 1932. Over 2,800 new patients were examined and treated through out-patient clinics during the year and nearly 2,000 more cases were carried under supervision from the preceding year. The number of graduate nurses employed in the hospitals during 1932 showed a decided increase, a total of 256 as compared with 154 in 1931.

Department of Public Welfare. The second Annual Report of the Department of Public Welfare gave the Total Gross Expenditure for the fiscal year ended Oct. 31, 1932, as \$12,638,728, divided as follows: Main Office, \$202,044; Children's Aid Branch, \$269,998; Soldiers' Aid Commission, \$57,136; Ontario Training School for Boys, \$106,638; Mothers' Allowances

Commission, \$2,781,868; Old Age Pensions Commission, \$9,219,984; and Ontario Training School for Girls, \$56. Revenue Receipts amounting to \$8,766,798 applied to the reduction of expenditure left a total Net Expenditure of \$3,871,930.

The number of families receiving Mothers' Allowances in 1931-32 was 7,418, and included 21,468 children. During the year 703 beneficiaries automatically ceased to qualify for the allowance and an additional 630 allowances were cancelled for various reasons, such as violation of regulations, financial capability or misconduct. The Old Age Pensions Commission reported 41,658 pensioners on the roll at the end of the fiscal year, an increase of 1,259 over the previous year. It was stated that only one-third of the total number (130,000) of citizens in Ontario of seventy years of age and over were in receipt of the pension. A total of 5,341 investigations were made by the Soldiers' Aid Commission during the year under review, while the number of wards committed to their care was 584. The Commission also assisted 1,042 families of ex-service men with food, clothing, surgical appliances, etc., from contributions received from patriotic friends and organizations. The Children's Aid Branch reported a total of 858 adoption Orders signed in 1932, an increase of 39 over the previous year. Cases dealt with under The Children of Unmarried Parents' Act numbered 2,148. The number of charitable institutions, Industrial and Training Schools in the Province in 1932 was 188, including 36 orphanages, which cared for 2,784 children and four industrial schools with 640 pupils.

The Attorney-General. Total sales for the year ended Oct. 31, 1932, as reported by the Liquor Control Board of Ontario (Chief Commissioner, Stewart McClenaghan, and Deputy Chief Commissioner, J. M. McNamara), were \$36,099,562, a decrease of \$9,736,146, or 21.2 per cent. from 1930-31 sales, which had shown a decrease of 12.33 per cent. Sales of imported spirits totalled \$8,825,164, a decrease of 35.2 per cent.; domestic spirits, \$9,478,824, a decrease of 10.8 per cent.; imported beers, \$124,282 (27.3 per cent.); domestic beers, \$14,743,318 (17.5 per cent.); imported wines, \$710,813 (17.4 per cent.) and domestic wines, \$2,217,160 (16.9 per cent.). The loss in revenue which resulted from the increase in the Sales Tax by the Dominion Government from 4 to 6 per cent. and in the special Excise Tax on imports from 1 to 3 per cent., was offset to some extent by the Board's putting into effect in May, 1932, increased prices on spirits and wines. The Report stated, however, that this action had also been responsible, in part, for the lowering of sales, especially those of imported liquors. The total quantity of spirits sold during the year was 931,039 gal., a decrease of 352,595 gal. from the previous year. Domestic beer sold amounted to 8,578,560 gal., as compared with 10,402,294 gal. and imported beers, 34,104 gal., as compared with 45,679 gal. 1,759,803 gal. of native wine were sold, a decline of 335,752 gal., while the sale of imported wines, totalling 88,703 gal. was less than 1931 by 14,245 gal. Liquor permits issued numbered 250,709 resident and 44,191 non-resident, as against 329,784 and 80,737, respectively during the previous year. An important feature of the native wine industry in 1932, according to the Report, was the completion of arrangements whereby sweet native wines were permitted to be fortified with wine spirit, thus enabling more successful competition with the fortified wines from other countries. A total of \$10,400,000 was paid to the Dominion Government in Customs, Sales and Excise duties, on spirits, wines and imported beers, malt duties, etc. The financial statement showed a gross trading profit of \$3,426,903 and a net trading profit of \$5,847,938. This sum, together with other revenue amounting to \$784,482, resulted in a total profit of \$6,632,420. There was a surplus for the year of \$449,338.

According to the Annual Report for the year ended Oct. 31, 1932, of the Commissioner of the Ontario Provincial Police, Maj.-Gen. V. A. S. Williams, prosecutions by members of the Force under all Acts and Statutes during the year numbered 22,081, of which 4,274 were under the Liquor Control Act; 11,185 under the Highway Traffic Act and 6,622 under the Criminal Code and all other Statutes. There was a total decrease over 1930-31 of 1,609. The

number of investigations made in matters covering a wide range totalled 31,329. Clashes between police and unemployed were reported to have been more frequent during the year under review, owing to the increasingly chaotic industrial conditions. Communistic influence was directly responsible for many of these disturbances, particularly at the head of the Lakes and at Sudbury and Kirkland Lake. Under the Liquor Control Act, fines were imposed amounting to \$120,652, as a result of 3,609 convictions.

The 54th Annual Report of the Superintendent of Insurance (R. Leighton Foster) covering the calendar year 1932, stated that at the end of that year there were 46 companies licenced to transact life insurance, a decrease of one, namely, the Mutual Life Insurance Company of New York. The net premium income on Ontario business amounted to \$87,066,731 in 1932, as compared with \$89,075,076 the previous year. Disbursements to Ontario policyholders totalled \$68,390,810, an increase of \$8,105,990. New business issued during the year amounted to \$345,891,872, as against \$408,188,421 in 1931, while the total business in force in the Province at the end of 1932 was \$2,737,997,914, a decrease of 1.5 per cent. over the previous year when the total was \$2,779,224,495. Fraternal societies holding licences to transact life insurance numbered 37 at the end of the year, their total premium income, including dues, amounting to \$3,154,520 and disbursements, \$3,651,854, while mortuary certificates in force totalled \$94,226,877. The net premiums earned during the year by the 337 companies licensed to transact fire insurance amounted to \$21,335,095, while the net losses incurred were \$13,654,632. The sum of \$1,805,753, the amount paid out for fire losses in 1932 by 68 farmers' mutual fire insurance companies, represented a decrease of approximately \$275,000 from the amount paid out by the same companies in 1931. This was the first decrease since 1928 when the total amount was \$1,209,343, increasing to \$2,233,923 in 1931. Companies licensed to transact automobile insurance in 1932 numbered 170, the net amount of premiums written being \$7,769,765, a decrease of 12 per cent. from the previous year, and net losses incurred, \$3,805,268. Net premiums written for the various casualty and miscellaneous classes of insurance totalled \$6,694,342 and net losses incurred, \$3,195,407.

The Registrar of Loan Corporations (R. Leighton Foster) in his Annual Report covering the calendar year 1931 (the latest available) recorded an increase in total assets of loan corporations from \$236,800,000 to \$239,900,000, as the result of an increase of more than \$7,000,000 in the amount of debentures outstanding, and in spite of substantial decreases in other liabilities. Trust company assets, exclusive of those of estates, trusts and agencies, amounted to \$146,000,000, a decrease from 1930 of about \$11,500,000. There was a reduction, for the first time in a decade, of \$13,500,000 in guaranteed investment receipts, which in 1931 totalled approximately \$98,000,000; this was due, in part, to the very favourable yields obtainable on Government and other securities offered in that year. Estates, trusts and agency funds under administration by trust companies totalled \$1,961,141,255, an increase of \$93,500,000 over the previous year. The sum of \$280,000,000 representing mortgage loans and agreements on real estate, including interest due and unpaid, showed an increase of two per cent., of which loan corporations accounted for \$1,440,000 and trust companies for approximately \$4,100,000. The principal of Western loans increased only \$600,000, as compared to an increase of \$7,000,000 in 1930. There was a remarkably heavy decline in collateral loans in 1931, those of loan corporations dropping from \$6,600,000 to \$1,700,000, and of trust companies, from \$52,900,000 to \$28,600,000. The increase from \$55,000,000 to \$64,600,000 of the amount held in bonds and debentures was a sharp contrast to the reduction in collateral loans. \$7,300,000 of this increase was accounted for by trustee securities which included Government, Government guaranteed, municipal and rural telephone bonds. Dividends of trust companies in 1931 showed an increase of \$230,000 over the previous year and of loan corporations, a decrease of \$57,000.

Total revenue collected in 1932 from the public offices under the supervision of the Inspector of Legal Offices (W. W. Denison) amounted to \$409,-

236, divided as follows: police magistrates' fines, \$90,914; police magistrates' fees, \$37,958; local registrars, S.C.O., county court and district court clerks and surrogate registrars, \$114,462; crown attorneys and clerks of the peace, \$66,807; crown attorneys' estreats and fines, \$1,382; sheriffs' fees, \$23,469; registrars of deeds and local masters of title, \$23,891; division court clerks and bailiffs, \$50,325. The total amount was a decrease from that of the previous year of \$90,371. Claims entered during the year under review totalled 80,007, and the amount sued thereby, \$5,172,359. The moneys paid out of court aggregated \$1,617,202.

The Report of the Workmen's Compensation Board (Chairman, V. A. Sinclair, K.C.) for 1932, showed a decrease in the number of accidents reported to the Board for that year, the total being 41,470, as compared with 52,894 in 1931. The allowed claims numbered 43,904, as against 48,882 the previous year, the former total comprising 283 deaths, 33 permanent total disability cases, 2,417 permanent partial disability cases, 22,998 temporary disability cases, and 18,173 cases in which medical aid only was paid. The provisional payrolls reported to the Board under Schedule I (industries under collective liability system) declined from \$409,260,000 in 1931 to \$331,582,000 in 1932, the lumbering industry and the construction industries showing probably the greatest decrease in employment. The total amount of benefits awarded under the Act was reduced from \$6,021,392 in 1931 to \$5,125,621 in the year under review. Administration expenses totalled \$325,328, a decrease of \$25,163.

Formal applications made to the Ontario Municipal Board (Chairman, C. R. McKeown, K.C.) in 1932, numbered 793, according to the Annual Report for the calendar year 1932. Revenue collected by the Board in Law Stamps during the year amounted to \$9,033. There were 123 applications made for the validation of municipal debentures, involving a total value of \$6,568,780. Those validated by the Board in the previous year amounted to \$4,801,774. Seven municipalities in 1932 obtained Orders of the Board authorizing the issue of debentures totalling \$392,927 to take care of their floating indebtedness. Under the Unemployment Relief Acts the Board considered 122 applications, the debenture issues involved thereby amounting to \$3,085,645. 13 applications were made under the Highway Improvement Act and Amendments; and two, under the Hydro-Electric Power Commission Act and Amendments. Assessment appeals numbered 19, the assessed value of the property affected being \$2,783,084. There were 15 persons killed and 891 injured by Provincial railways during the year.

The Dorland Inquiry. Following several months' investigation by the Toronto Board of Police Commissioners into what was known as the "Dorland Case" and their subsequent findings that the question of the administration of justice as well as that of the discipline of the Police Force was involved, the announcement was made by the Attorney-General of Ontario, Hon. W. H. Price, on Mar. 21, 1933, of the appointment by the Ontario Government of a Royal Commission of Inquiry, with Hon. A. C. Kingstone, Justice of the Supreme Court of Ontario, as Commissioner. The case in question arose out of the circumstances surrounding the arrest and sentencing to five years in the Kingston Penitentiary of Albert Dorland in April, 1930, for carrying offensive weapons in the course of an alleged attempt to hold up the Royal Bank of Canada Branch at Church and Wellesley Streets, Toronto, in company with William Toohey, a reputed accomplice. The latter had been released without a charge being laid.

The Report of the Commission, released some months later (Aug. 2, 1933), declared that both the Chief Constable, Brig.-Gen. D. C. Draper, and the former Inspector of Detectives, A. J. Murray, were free of any complicity in the crime, but that Toohey had been the *agent provocateur* of the Police in the case. In view of this the Commission felt that Dorland had not received the proper consideration to which he was entitled before the sentence was imposed, and that the maximum penalty for carrying firearms might have been reduced had all the facts been known to the Court. The

action of the four police officers concerned in the arrest, in firing upon the two men, Dorland and Toohey, who were seated in their car at the time, was severely censured by Mr. Kingstone, who recommended the advisability of instituting proceedings against them. He also urged that police magistrates be prohibited from sitting on boards of police commissioners. As a result of these findings, Dorland was released from the Penitentiary upon the order of the Federal Minister of Justice, and the four police officers were indicted. The latter were acquitted, however (Nov. 8), of the charge of intent to commit grievous bodily harm.

Prisons and Reformatories. The existing financial depression was declared by the Deputy Provincial Secretary, in the Annual Report for the year ended Oct. 31, 1932, of the Prisons and Reformatories of Ontario, to be mainly responsible for the further reduction in the number of commitments for trial and of convictions during that period. This was partly because it was producing a better perspective of the relation between work and money, and partly due to the generous distribution of unemployment relief. Commitments in 1932 numbered 25,235, as compared with 26,358, the previous year, and convictions, 15,804, as against 18,127 in 1931. The total expended in the maintenance of the 47 gaols in Ontario was \$465,307, a decrease of \$33,585. The Board of Parole reported that 963 men had been allowed out under supervision during the fiscal year, which meant a saving to the taxpayer of approximately \$218,542 for the year. The numbers of successfully completed paroles increased from 80 per cent. in 1931 to 86.4 per cent. in 1932.

The Hydro-Electric Power Commission of Ontario. The Twenty-Fifth Annual Report of the Commission covered its activities for the fiscal year ended Oct. 31, 1932, and financial statements of the local Hydro utilities for the calendar year 1932. At the end of the fiscal year the number of municipalities served in Ontario by the Commission was 747, including 27 cities, 95 towns, 267 villages and police villages and 358 townships. With the exception of 13 suburban sections of townships known as voted areas, the townships and 88 of the smaller villages were served as parts of 172 rural power districts.

Constructional activities during 1932 were limited in scope, and consequently capital outlays by the Commission were much reduced. The chief work undertaken was the completion, to the stage then decided upon, of the Chats Falls development on the Ottawa River, with eight turbines installed and a normal capacity of 192,000 horse-power—half of which was owned by the Commission and half by the Ottawa Valley Power Company in the Province of Quebec. At the Commission's transformer station at Chats Falls the third and fourth banks of transformers were installed, providing for a total output of 188,400 kv-a. A 220,000-volt transmission line 100 miles long, similar to the other 220,000-volt lines built by the Commission, was constructed from Beaudet on the Ontario-Quebec boundary to Chats Falls, to transmit the power being received from the Beauharnois development on the St. Lawrence River. At Cumberland, on this transmission line, about 45 miles from Chats Falls, a switching station was provided to form a junction point for a transmission line being constructed from the MacLaren power site on the Lièvre River. The Report pointed out the importance of Chats Falls as a power supply centre, power being assembled from the development there and from Beauharnois; in the near future supplies of power would also come from the MacLaren development. In addition there were the power supplies of the Gatineau River plants crossing the Ottawa River at this point.

The Report stated that the demand for power in Ontario had continued at approximately the same levels as during the previous year, and that the circumstances of 1931 had continued to apply throughout 1932. The fact that a still larger proportion of industrial capacity in general was idle than in 1931, necessitated the maintenance of a correspondingly larger proportion of reserve power capacity in order to facilitate the resumption by industry

of its former scale of activities. The Report declared that the power provisions made in the past in order to meet existing requirements were on a conservative basis; that is to say, they were substantially less than would have been required under a continuance of the rate of growth that had consistently been maintained over a period of eighteen years up to 1929.

The total investment of the Commission in power undertakings and hydro-electric railways was given as \$273,248,829, exclusive of Government grants in respect of construction of rural power districts' lines; and the investment of the municipalities in distributing systems and other assets was recorded as \$109,309,934, making in power and hydro-electric railway undertakings a total investment of \$382,558,763.

The outcome of the Commission's financial reserve policy, followed over a period of several years, was noted as having been specially beneficial. Extra funds placed in reserve in 1926 to 1930 with a view to cost stabilization, in 1932 assisted in carrying the charges entailed by the necessary provision of power reserves. The Report stated that it had not been necessary to increase the rates to consumers in general, and that the average cost per kilowatt-hour to domestic consumers throughout the Province had continued to increase. After all adjustments, including the special withdrawals for cost stabilization there was a net increase in reserve of \$3,741,074, bringing the total amount of reserves to \$66,145,486. Such a result, achieved under the difficult economic circumstances of 1932, was, according to the Report, a convincing demonstration of the strong financial position of the Commission.

In connection with rural electrical service the Report stated that there was in 1932 rather more than \$16,964,000 invested in the rural power district systems established by the Commission. Toward this rural work, the Government of Ontario, pursuant to their policy of promoting the basic industry of agriculture, contributed, in the form of "grants-in-aid", 50 per cent. of the costs of transmission lines and equipment, or some \$8,393,000. At the end of the fiscal year, there was a total of 8,918 miles of transmission lines, 721 miles of which were constructed during the year. More than 60,000 customers were supplied in the rural power districts in 1932.

No change occurred during 1932 in the personnel of the Commission; the members were: Hon. J. R. Cooke (Chairman), Mr. C. Alfred Maguire, and Rt. Hon. Arthur Meighen (Members).

In a judgment rendered on Apr. 21, 1933, by the Ontario Municipal Board, the Kingdon Mining, Smelting and Manufacturing Company, Limited, of Montreal, was awarded \$88,368 in its \$2,222,422 claim against the Hydro-Electric Power Commission of Ontario arising out of alleged damage to riparian rights, etc., in the Chats Falls power development area. While the award of \$88,368 was made, \$15,000 was to be deducted from this amount if the Company accepted the offer of the Commission to aright a certain water flow on the Snye River. The entire costs of the proceedings were to be borne by the Commission. The claim arose by reason of the Chats Falls power development raising water levels and flooding certain lands of the Kingdon Company on the Ottawa River; the drying up of the Snye River; loss of riparian, power or other rights; damages to property and timber loss; loss of mineral rights; and many other things set forth in the claim of the Company. (*The Globe*, Apr. 22, 1933).

The Temiskaming and Northern Ontario Railway Commission.

The part played since its construction by the Temiskaming and Northern Ontario Railway in the opening up of new areas of wealth was dwelt upon at some length in the Annual Report of the Commission (Chairman, George W. Lee) covering the year ended Oct. 31, 1932. It was stated that the average shipments of gold bullion over the Railway from Porcupine and Kirkland Lake amounted, in 1932, to \$1,000,000 every ten days. The new main line extension (187 miles) between Cochrane and Moosonee, completed in 1931, was officially opened by the Prime Minister, Hon. George S. Henry, on July 15, 1932.

The reduction in revenue in 1932 caused by the decline in the volume of business, was offset to some extent by decreased expenditures. Total revenue for the year was \$3,916,607 and total expenditure, \$3,443,522, leaving net results of \$473,085, as compared with the previous year's results of \$935,797. The sum of \$240,000 was paid by the Commission during the year to provide for matured interest on its debenture bond issue of \$6,000,000, and the sum of \$3,500,000 in premiums for insurance against loss by fire. The total mileage operated at the close of the fiscal year was 691.38. The number of passengers carried during the year totalled 295,347, and revenue earned thereby, \$578,126, as compared with 422,552 passengers and revenue of \$838,019 in 1931. 946,692 tons of freight were carried in 1932, revenue from which amounted to \$2,835,196, a decrease from the 1931 total of 1,253,323 tons of freight and \$3,457,937 in revenue.

Ontario Research Foundation. Many valuable results were achieved through the research work carried on by the various Departments of the Foundation, under their able staffs during the year 1932, according to the Report of the Director, Dr. H. B. Speakman. An important investigation concluded during the year was that by the Department of Chemistry undertaken three years previously, at the request of the Department of Mines, into the possibilities of lignite, of which there was a large deposit near Blacksmith Rapids on the Abitibi River, as a fuel for domestic and industrial use. The special Report on the question (made public Apr. 5, 1933) stated that no final opinion could be given, beyond that of recommending no immediate commercial development, until sufficient lignite could be mined and processed to test adequately the burning of lignite products in locomotives, and in industrial and domestic furnaces, a procedure which would involve the further expenditure of \$60,000. The average cost of mining 300,000 tons of lignite was estimated at \$264,000 or 88 cents a ton. The results of the above-mentioned tests, in conjunction with the technical details already embodied in the Report, would permit, in the opinion of the Foundation "a final conclusion as to the possibilities of commercial development in the near future, and will in any case establish the value of this deposit to the Province of Ontario as a contingency fuel reserve."

In connection with an investigation of the reducibility of the iron ore in six Ontario deposits, conducted by the Department of Metallurgy, it was stated that large quantities of ore existed containing amounts of iron, which were usable from a technical but not from an economic point of view.

The Department of Textile Research during the year performed control work and minor research for Members of the Canadian Woollen Manufacturers' Association; research work in connection with the manufacture of upholstery for automobiles; control work and research regarding the manufacture of knitted rayon garments and fundamental research in textiles.

Various industrial and agricultural problems were solved by the Department of Biochemistry and much was accomplished by the Department of Veterinary Science by means of laboratory research and field work in connection with bovine contagious abortion.

Motion Pictures. The respective qualities of British and United States motion pictures and the reception accorded the two types by the Canadian public were discussed at some length in the Report of the Board of Censors of Motion Pictures (Chairman, J. C. Boylen) for the fiscal year ended Oct. 31, 1932. Although the great proportion of the films exhibited in Canada continued to be received from the United States, it was becoming evident that the popularity of British films was steadily increasing. From almost every standpoint—the selection of themes, the background of British standards, customs and traditions, the immense improvement in quality and technique, and the increase in production—the desirability of a wider distribution of these films in Canada was obvious. The objectionable matter of many of the Hollywood films with regard to coarseness and suggestion was noted, as was also the interesting fact that Hollywood was tending to produce more films whose appeal was not primarily to the people of the

United States. The Board regretted that there were so few film subjects suitable for young people and stressed the importance of the parents' careful supervision of their children's screen entertainment.

Film subjects submitted to the Board numbered 2,188, of which 1,455 received unqualified approval, 698 were approved after certain revisions, and 35 were rejected. There were 108 subjects classified as "Universal".

Ontario Government Appointments

Office	Name	Gazetted 1932
Registrar of Deeds, County of Huron.....	Alexander H. Neeb.....	July 9
Police Magistrate, County of Grenville.....	Charles Archibald Adams.....	Sept. 3
Police Magistrate, Town of Campbellford, Township of Seymour and County of Northumberland.....	John Montgomery Bygott.....	Sept. 3
Police Magistrate <i>pro tem</i> , Town of Cobourg and United Counties of Northumberland and Durham.....	John Hector Davidson.....	Sept. 3
Crown Attorney and Clerk of the Peace, County of Perth.....	J. C. Makins, K.C.....	Sept. 24
Deputy Police Magistrate, County of York.....	Douglas Webster.....	Sept. 24
Surrogate Judge, County of Oxford.....	Finley Ewart Perrin, K.C.....	Dec. 17
Clerk of the County Court, Local Registrar of the Supreme Court of Ontario, and Registrar of the Surrogate Court, County of Halton.....	John MacDonald MacKenzie.....	Gazetted 1933 Jan. 14
Official Secretary to the Honourable the Lieutenant-Governor.....	Lieut.-Col. Hugh M. Hilchie.....	Jan. 20
First Assistant Secretary to the Honourable the Lieutenant-Governor.....	Lieut.-Col. Ian M. R. Sinclair.....	Jan. 20
Crown Attorney and Clerk of the Peace, County of Prince Edward.....	Gordon Walmsley.....	Feb. 25
Local Registrar of the Supreme Court, District Court Clerk and Surrogate Registrar, District of Thunder Bay.....	Neil Campbell.....	Apr. 8
Crown Attorney and Clerk of the Peace, County of Lennox and Addington.....	Kenneth S. Ham.....	Apr. 8
Crown Attorney, County of York, including the City of Toronto.....	James Weir McFadden.....	Apr. 15
Mothers' Allowances' Commission, Member of.....	David Jamieson, M.D.....	May 20
Mothers' Allowances' Commission, Member of.....	M. A. Sorsoleil.....	May 20
Mothers' Allowances' Commission, Member of.....	H. Bentley.....	May 20
Old Age Pensions Commission, Member of.....	David Jamieson, M.D.....	May 20
Old Age Pensions Commission, Member of.....	M. A. Sorsoleil.....	May 20
Old Age Pensions Commission, Member of.....	C. Green.....	May 20

The Province of Ontario

(As at June 30, 1933)

Lieutenant-Governor.....Col. and Hon. Herbert Alexander Bruce, R.A.M.C.,
M.D., F.R.C.S. (Eng.), LL.D.

The Henry Ministry (Conservative)

Prime Minister, President of the Executive Council and Minister of Education.....	Hon. George Stewart Henry, B.A., LL.B., LL.D.
Attorney-General.....	Lt.-Col. Hon. William Herbert Price, K.C., LL.B.
Minister of Mines.....	Hon. Charles McCrea, K.C.
Minister of Lands and Forests.....	Hon. William Finlayson, K.C.
Minister of Public Works and Labour.....	Hon. Joseph Dunsmore Monteith, M.D., C.M.*
Provincial Treasurer.....	Hon. Edward Arunah Dunlop*
Minister of Health.....	Hon. John Morrow Robb, M.B.
Minister of Agriculture.....	Col. Hon. Thomas Laird Kennedy
Minister of Highways.....	Hon. Leopold Macaulay, B.A., LL.B.
Minister of Public Welfare.....	Hon. William George Martin
Secretary and Registrar.....	Hon. George Holmes Challies, B.P.H.
Minister without Portfolio.....	Hon. John Robert Cooke
Minister without Portfolio.....	Hon. Henry Chadwick Scholfield
Minister without Portfolio.....	Hon. Paul Poisson, M.D., M.C., V.D.

Speaker of the House.....Hon. Thomas A. Kidd

*NOTE.—Temporary rearrangement of the Cabinet, made necessary by the death of Mr. Dunlop on Jan. 1, 1934, and that of Dr. Monteith on Jan. 8, was formally effected on Jan. 12 when Mr. Henry was sworn in as Provincial Treasurer, Dr. Robb as Minister of Labour and Mr. Macaulay as Minister of Public Works; these were all in addition to their other portfolios.

Heads of the Administrative Services

Deputy Minister of Education.....	A. H. U. Colquhoun, B.A., LL.D.
Deputy Minister, Department of the Prime Minister.....	Horace Wallis
Assistant Provincial Secretary.....	F. V. Johns
Deputy Minister of Game and Fisheries.....	Donald McDonald
Deputy Attorney-General	I. A. Humphries, K.C., LL.B.
Deputy Minister of Mines.....	T. W. Gibson
Provincial Auditor	Gordon A. Brown
Clerk, Executive Council.....	C. F. Bulmer
Deputy Minister of Lands and Forests.....	W. C. Cain
Provincial Archivist	Col. Alexander Fraser, LL.D.
Superintendent of Insurance.....	R. Leighton Foster
Deputy Minister of Hospitals	Harry M. Robbins
Assistant Treasurer	J. T. White, K.C.
Deputy Minister of Northern Development	C. H. Fullerton
Deputy Minister of Public Works	George Hogarth
Deputy Minister of Forestry	E. J. Zavitz
Clerk of the Legislative Assembly.....	Major A. C. Lewis
Deputy Minister of Health	Dr. W. J. Bell
Deputy Minister of Highways	R. M. Smith
Deputy Minister and Surveyor-General, Department of Lands and Forests	L. V. Rorke
Deputy Minister of Agriculture	James B. Fairbairn
Deputy Minister of Labour	Arthur W. Crawford
Deputy Provincial Secretary	C. F. Neelands
Deputy Minister of Public Welfare	M. A. Sorsoleil
Chairman, Agricultural Development Board.....	W. B. Roadhouse
Chairman, Mothers' Allowances Commission.....	David Jamieson, M.D.
Chairman, Old Age Pensions Commission.....	David Jamieson, M.D.
Comptroller of Revenue.....	W. A. Orr
Law Clerk of the Legislative Assembly.....	Herbert Leopold Cummings
Civil Service Commissioner.....	John M. McCutcheon
King's Printer	H. H. Ball
Public Trustee	A. N. Middleton

THE PROVINCE OF QUEBEC

General Conditions; and Leading Events during 1932-33

The general depression still persisted in the Province of Quebec throughout the twelve months between July 1, 1932, and June 30, 1933. Indeed, so far as the merchants and the middle classes were concerned, it was perhaps felt more acutely during the first half of the period than at any previous time. Early in 1933, however, the turn appeared to be reached and, if the improvement was neither distinctly marked nor widespread, at least it was sufficient to encourage and sustain the population. As the year wore on, a slow but steady upward trend continued to assert itself. The unemployed, though still in their thousands, were less numerous than in 1932, and the tourist traffic was more satisfactory.

The dark shadow over the life of the Province continued to be the unemployment problem, complicated by the financial difficulties of the Provincial Government and the various Municipal Administrations. Early in July (6th) all statutory salary increases in the Civil Service of the Province were suspended by Order-in-Council, as a temporary measure of economy, while another Order-in-Council authorized the raising of a temporary loan of \$9,000,000 from the banks—this was made necessary by the depleted revenues of the Province and in order to finance Quebec's share of direct relief. After public opinion had been prepared for such an eventuality by a number of preliminary intimations, Hon. L. A. Taschereau, as Provincial Treasurer, made the definite announcement on Aug. 30 of a deficit of \$584,708 for the fiscal year 1931-32, due to an unprecedented falling-off in revenues.

On July 5, 1932, in an interview at Montreal, the Prime Minister (Hon. L. A. Taschereau) denounced those merchants of the Province who had "scandalously" overcharged the Government in supplying goods to the unemployed under the direct relief programme. Bills rendered the Government, he declared in his capacity as Provincial Treasurer, "exceeded reasonable and honest demands by \$250,000." In particular was the situation in the Lake St. John District condemned, where merchants had even discounted cash vouchers given by the Government to the destitute. As a result of these abuses by merchants, as well as abuses by individuals seeking relief, a "Means Test" was instituted several months later (Dec. 1) by the Provincial Government, under which all applications had to be checked and certified by the municipal authorities; they had also to furnish sworn statements with every bill presented. For reasons, partly of convenience and partly of shortage of funds, a pay system of "bons" or certificates, against which goods could be obtained from the merchants by persons on relief, was introduced and was the occasion of a certain amount of dissatisfaction. The merchants could not always

cash the certificates promptly and some times were unwilling to accept them. Thus, on Dec. 21, those engaged on relief works in Quebec City demonstrated against the system, although there was never any serious trouble with it.

An agreement was reached between Ottawa and Quebec on July 13, 1932, whereby 1,000 families from the five districts of the Province: Quebec, Montreal, Three Rivers, Sherbrooke and Hull, would be settled on the land with contributions to be made by the Dominion, Provincial and Municipal Administrations. Two days later, the Provincial-Municipal Commission took charge of five municipalities and three school boards in Chicoutimi County, whose finances had become embarrassed; this number was largely added to during the year.

The Government, on Aug. 25, acknowledged receipt of relief programmes, from the Cities of Montreal and Quebec, that called for a total expenditure of \$10,000,000 in the first instance, and one of \$400,000 in the second.

The lumber firms of the Province on Aug. 17 signified to the Government at Quebec their readiness to cut some 700,000,000 square feet of lumber during the Winter months, thereby employing from 16,000 to 17,000 men, but they asked for further reductions in ground rent and stumpage dues. A week later, Hon. Honoré Mercier, Minister of Lands and Forests, announced that this request had been granted, the ground rent being reduced from \$8 to \$5 per acre, and the stumpage dues from \$2.70 to \$2 per 1,000 feet.

Early in December there was trouble among some lumberjacks at Godbout on the North Shore of the St. Lawrence. These men made their way to Quebec aboard the coasting steamer, *Sable I*, and claimed that they had been laid off in the woods without any money for transportation to their homes. The situation was investigated by Gerard Tremblay, Deputy Minister of Labour, who reported (Jan. 21, 1933) that the men had become fearful of the work giving out before Spring and had tried to make a dash for their homes, feeling that the earning opportunities of the moment were not worth the risk of being stranded. Mr. Tremblay found that sub-contractors had hired men on terms that left them net earnings of from \$12 to \$15 per month.

Unemployment camps for single men of the Province of Quebec were established during November by the Federal Government in the Quebec Citadel. The arrival of a vanguard of 60 youths on the 7th aroused momentary anxiety among the citizens of the Ancient Capital as it was feared that disorders might result. These apprehensions, however, proved to be groundless, the plan proving a complete success. Another unemployment camp for single men was opened by the Federal Government at Valcartier, on the site immortalized by the mobilization of the first Canadian Division in the World War. And, as in the case of the Citadel, the arrival of the

first group of 200 men on Apr. 20, 1933, was the signal for some uneasiness, this time from the owners of summer cottages in the district, who feared that their neighbours might be unruly, but, once again, the conduct of the men was exemplary on the whole and the discipline of the Camp was excellent. With the return of Spring there was much argument and a certain amount of recrimination between the cities of Montreal and Quebec and the Provincial Government on the one hand, and between the Provincial and the Federal Governments, respectively, on the other, over the approval of relief programmes of public works; disputes over details holding them up completely. And at the close of the period here under review, after lengthy correspondence, a final plan for public works totalling \$6,543,870, that represented the aggregate needs of Quebec, was submitted to Hon. W. A. Gordon, Federal Minister of Labour, by Hon. J. N. Francoeur, Provincial Minister of Public Works.

Due to a steady increase in the number of superior schools, an Order-in-Council was passed on Aug. 12, 1932, on the recommendation of the Protestant Committee of the Council of Education, substituting seven elementary school districts for eight elementary and intermediate districts, and grouping the intermediate and high schools together for inspectional purposes. Following this, on Jan. 28, 1933, announcement was made by Dr. W. P. Percival, Director of Protestant Education, of the adoption of a new form of examination in all high schools that would give the pupil a chance to write all he knew about the subject in which he was being examined. Different degrees of the Order of Scholastic Merit were conferred on 59 teachers from various schools in the Province by Cyrille Delâge, Superintendent of Education, at Laval Normal School, Quebec City, on June 1, 1933. Degrees of the Order were also conferred by Mr. Delâge on 25 other teachers at Three Rivers, a week later.

Two very important public bodies, authorized by Act of the Legislature, were formed during the first six months of 1933: the Provincial Tourist Council, which held a preliminary meeting in the Legislative Buildings at Quebec on May 10, with Hon. J. E. Perrault, Minister of Roads, as Chairman, and the Provincial Dairy Commission, the personnel of which, announced on May 23 by Hon. Adélard Godbout, Minister of Agriculture, included Henri C. Bois, B.S.A., Chief of the Rural Economy Service of the Department of Agriculture, as Chairman. This latter body lost no time in getting down to work, deciding on June 2 to bond 2,000 dairy firms throughout the Province in order to protect them against small irresponsible concerns starting up, as it were, overnight. Within the following fortnight it had secured an agreement among the dairies on the prices to be paid the farmers for their milk, thus ending a long controversy that had created much disturbance in the industry in the Province for several years.

The apparently interminable controversy between the Quebec Power Company and Quebec City over rates was carried on desultorily during the period under review, both at the City Hall and before

the Legislature, although a good deal of its violence had been abated by exhaustion. The agitation, however, began to spread to other centres, Montreal included, with public ownership of power as its rallying cry. Hence it was that on Feb. 3, 1933, a delegation representing the Confederation of National Catholic Labour Unions of Canada waited on Mr. Taschereau at Quebec and urged him to create a Provincial Hydro-Electric system, similar to that of Ontario. They were given little encouragement by the Prime Minister who told them that such a system would cost the Province of Quebec \$500,000,000.

Politically, the twelve-month period (July, 1932, to June, 1933) was a quiet one outside the annual Session of the Legislature of the Province, there being no elections or other events of exceptional importance. Although he had retained the Leadership of the Provincial Conservative Party after his disastrous defeat in the General Election of Aug. 24, 1931, the further and completely crushing defeat of Camillien Houde as Mayor of Montreal on Apr. 4, 1932, made his position in public life untenable. Consequently, there was little surprise when, on Sept. 20, Mr. Houde formally resigned the Party Leadership; he declared that he could not continue without support or fight the Liberals and certain unnamed Conservatives, also. He reserved his right "to unmask disloyalty" at some future time. This action left the reins temporarily in the hands of C. E. Gault, Member for St. George's-Montreal, who had been chosen House Leader by a caucus of Opposition Members on Oct. 16, 1931. But with Mr. Houde's influence withdrawn, it was clearly recognized that it was impossible for a man who had no legal training and no familiarity with the French language to do justice to such a position. A caucus of Conservative Members was held at Montreal on Nov. 7, 1932, by which Maurice Duplessis, K.C., Member for Three Rivers, was chosen House Leader, succeeding Mr. Gault who, it was announced, had accepted the post for one year only. Thus the honours and the emolument, as well as the responsibilities of the work that Mr. Duplessis had actually been doing in the Legislative Assembly, since the beginning of Mr. Houde's *régime*, were finally conceded to him by his fellow-Members to the Left of the Speaker.

Ever since the General Election, when Hon. Gordon Scott was unsuccessful in winning St. George's-Montreal from Mr. C. E. Gault, English-Protestant Cabinet representation had been limited to Hon. George Bryson, Minister without Portfolio, who sat in the Upper House. The minority, therefore, cherished the hope that Mr. Taschereau, who was combining the office of Provincial Treasurer with that of Prime Minister, and also the Portfolios of Attorney-General and Minister of Municipal Affairs, would see fit to promote Lieut.-Col. R. F. Stockwell, K.C., Member for Brome. On Oct. 26, 1932, this aspiration was recognized by the Prime Minister who took Lieut.-Col. Stockwell into his Cabinet as Provincial Treasurer, amid great rejoicing; particularly in the Eastern Townships of the Province, which professed a traditional claim upon that Portfolio. It

may be recalled that, upon the completion of his term of office as Lieutenant-Governor, Hon Narcisse Pérodeau had returned to the Legislative Council, where he took rank as Minister without Portfolio and Government Leader. Advanced in years and broken in health, he died at Montreal on Nov. 18, 1932, aged 81 years. This necessitated another appointment and, on Jan. 10, 1933, at the convening of the Legislature, Hon. George Bryson was promoted to be Government Leader of the Upper House.

At various times throughout the year, the Prime Minister of Quebec found himself in controversy with one or other of the Federal Ministers at Ottawa. On July 12, 1932, he complained, in an interview at Quebec, that his Government had not been consulted by the Bennett Administration with regard to negotiations with the United States over the St. Lawrence Waterway Treaty and that the only information he possessed had come from newspapers. This attack was promptly taken up by Hon. Alfred Duranleau, Federal Minister of Marine, and a lengthy newspaper debate, that was marked by considerable vigour but led to no definite conclusion, ensued between the two public men (see *The Canadian Annual Review*, 1932, page 373). The next difference with Ottawa arose over an alleged combine in the coal industry. The Federal Minister of Labour, Hon. W. A. Gordon, had ordered an investigation which was duly held, and had forwarded a copy of the Report to Mr. Taschereau as Attorney-General of Quebec. On May 22, 1933, the latter announced that his Department would act if grounds for prosecution were found upon study of this document: meanwhile, he had asked the Federal authorities for more information. The point of this move was that Mr. Gordon, in forwarding the Report, had omitted to express any opinion on it and, for tactical reasons, Mr. Taschereau was anxious to have him placed on record as to whether he considered that action should be taken or not. In an exchange of correspondence, made public on both sides, Mr. Gordon insisted that it was for the Provincial Attorney-General to appreciate the Report for himself, while Mr. Taschereau stoutly maintained that the Federal Minister was in duty bound to declare his attitude and was shirking when he failed to do so. Finally, on June 24, the Attorney-General, having abandoned further discussion, announced his decision to prosecute the companies forming the alleged coal combine, and to retain Louis St. Laurent, K.C., as Special Crown Prosecutor. Mr. Taschereau and Hon. C. H. Cahan, Federal Secretary of State, on June 9, locked horns over a public utterance by the latter in which he claimed that the St. Lawrence Waterway was a project in which the Government of Quebec had no direct interest. To this Mr. Taschereau objected; but neither was very successful in convincing the other of error.

Several important political banquets were held during the year, two of which were in celebration of the 25th anniversary of the entry into public life of two Members of the Provincial Legislature: that of Hon. Honoré Mercier, Minister of Lands and Forests, on Nov. 15, at St. Martine, and that of C. E. Gault, Conservative Member for

St. George's-Montreal, on Nov. 26, at Montreal. A third banquet was held at Knowlton, Brome County, on Nov. 28, 1932, in honour of Hon. R. F. Stockwell, who, a short time before, had been taken into the Provincial Cabinet. The one political appointment of the year was that on Nov. 30, of Gustave Lemieux, M.D., D.D.S., former Member (Gaspé) and former Deputy Speaker of the Legislative Assembly, to be a Legislative Councillor, replacing Hon. Narcisse Pérodeau in the Montarville Division.

With regard to the health of the Province during the twelve-month period under review, Quebec City and the surrounding district were visited by an epidemic of infantile paralysis which ran its course from the end of July to the end of October, 1932. Altogether, there were more than 400 cases in the Province, 200 of which were in Quebec City, and 25 deaths. But for the good work of the Provincial Health Bureau in preparing serum for free distribution and the great care taken by the doctors in reporting cases promptly, the ravages of the disease would certainly have been far more extensive. The opening of the Protestant High School in Quebec City was deferred, as a precautionary measure, until Sept. 14, and that of the elementary schools until Sept. 19.

Incidents. The period under review was as uneventful outside the political sphere as it was within. The happiest event of the year, however, was undoubtedly the elevation of His Excellency Jean Marie Rodrigue Villeneuve, Archbishop of Quebec, to the rank of Cardinal, the fourth French-Canadian prelate to be so honoured. News to this effect reached Quebec from Rome on Feb. 13, 1933, and was immediately confirmed by Mgr. Andrea Cassulo, Apostolic Delegate, at Ottawa. Shortly afterward, on Feb. 24, Archbishop Villeneuve left the Ancient Capital for Vatican City, stopping off at Montreal to visit his aged parents *en route*. He received the Red Hat at the hands of the Pope on Mar. 15, about ten days after his arrival. The return of His Eminence to Quebec City (Apr. 15) was marked by a civic reception and an ovation in which the entire community participated. A month later (May 19) the Cardinal was also tendered a civic reception at Montreal.

The case of conflict between canon law and civil law, outlined in *The Canadian Annual Review*, 1932, was continued by a hearing in the Superior Court at Montreal on Nov. 4, 1932. Annulment of the union of Arthur Lafontaine, a longshoreman, and Jeanne Desormiers, a minor, had been refused by the Catholic Church, although granted by the Civil Courts on the ground that the consent of the bride's parents had not been obtained. The Church, however, annulled a second marriage of the girl to Adrien Perrault, a city fireman, who started action for civil annulment also, but later took back his wife while the case was awaiting appeal. Following this Arthur Lafontaine demanded the custody of his child Lucille, daughter of the first union, who had been kept by her mother until she was forced to go to work in 1930, when she placed the child with a married couple. Perrault, however, expressed his willingness to take the child and bring her up as his own. Judgment was rendered on the case on Nov. 18 by Mr. Justice Cousineau, who denied to Arthur Lafontaine the right to the possession of his child, on the ground that, prior to the proceedings, he had shown no paternal sentiment and had taken no interest in his family.

Two other judicial decisions during the period under review are of interest. On Dec. 27, 1932, the constitutionality of the Act creating the Quebec Municipal Commission was attacked by the municipality of Aylmer, which desired to avoid being placed under the direction of that body as a result of its financial difficulties. The application was made to Mr. Justice H. A. Fortier

at Hull. Later, after hearing of the case, the constitutionality of the Commission was upheld by Mr. Justice Trahan on Mar. 31, 1933. The validity of the Workmen's Compensation Act, which had been declared to be *ultra vires* by Mr. Justice Delorimier in a test case taken at Montreal in the Spring of 1932, was upheld, following another challenge at Three Rivers, in a judgment handed down on May 12, 1933, by Mr. Justice Fortier.

For some years, the Provincial Exhibition, situated in Quebec City and operated by a Municipal Commission, on which the Federal and Provincial Departments of Agriculture and the Council of Agriculture had representation, had been the subject of bitter public criticism that centred mainly upon its finances. The year 1932 having produced a deficit and the year 1933 holding out no brilliant prospects, the City Council on Mar. 3, 1933, decided not to hold an Exhibition and suspended both the Commissioners and the staff. A few weeks later (Mar. 22) the further decision was reached to turn the Exhibition plant and property over to a private promoter, in the person of F. Byrne, Mayor of Quebec West, to operate for one year.

On Apr. 19, F. X. Chouinard, City Clerk of Quebec, promulgated a Charter Amendment authorized by the Legislature at their previous Session, giving wider powers to Quebec City's Town-Planning Commission and extending its jurisdiction to all surrounding municipalities within a five-mile radius.

With a public warning that no exceptions to the ruling would be permitted, war on all lotteries and raffles conducted in the Province was declared by the Department of the Attorney-General at Quebec on Nov. 14, 1932.

The last chapter in the disaster of *The Cymbeline*, an oil tanker aboard which an explosion had occurred the previous June, was written on Dec. 30, 1932, when a Coroner's Jury found that the victims had died by accident and that no criminal responsibility attached to anyone. A rider was added, however, recommending the prohibition of the storage of oil in dry docks or similar apparatus.

The Roman Catholic Church of St. James the Less at Montreal was destroyed by fire that broke out while a service was in progress on Mar. 26, 1933. Seven arrests were made the following day in an alleged Red plot to burn churches. As no conclusive case could be made out, the Department of the Attorney-General, on Apr. 3, offered a reward of \$1,000 for the discovery of the person or persons who set fire to St. James the Less, but without result.

The first forest fire of 1933 was reported at Cheneville, Suffolk Township, near Montreal, on Apr. 21. As the snow was still on the ground, however, it was unable to make headway. The most serious outbreak was in Lotbinière County early in June which took a toll of one life and 130 homes. By June 10, when the period of danger was at an end, Henri Kieffer, Chief of the Provincial Forest Protective Service, was able to announce that there had been only 212 forest fires, as against 885 in 1932. On May 31, 1933, a high wind storm lasting only three minutes worked havoc in the little town of St. Lin, wrecking the college, the convent and the church, one steeple of the last-named being blown to the ground and the other twisted out of position. Some 20 houses were also demolished, the roofs being tossed 100 feet in certain instances. The total damage was estimated at \$100,000.

The treatment of members of their race in Germany, under the Nazi régime of Chancellor Adolph Hitler, could not well be a matter of indifference to Jews in Canada and on Apr. 6, 1933, a monster mass meeting of protest was held at Montreal, presided over by the Mayor, Hon. Fernand Rinfret. Hon. Honoré Mercier, who was present at the request of the Prime Minister, spoke.

Although the rural population of the Province remained unwilling to have legislation imposed on it, making the carrying of lights on horse-drawn vehicles after dusk obligatory, considerable progress was made in the direction of educational propaganda and during the Spring of 1933, up till the end of May, the Province of Quebec Safety League made a free distribution of no fewer than 47,200 reflectors to farmers throughout the Province.

The Centenary of the election of its first City Council was celebrated by Quebec City on May 1, 1933. A civic reception was held which was attended by five former mayors and a large number of former aldermen. Dr. P. H. Bédard, Leader of the Council and a descendant of the first Mayor of Quebec, was one of the speakers.

Of historic interest was the official announcement made on June 7, 1933, that the home of Sir Wilfrid Laurier at Arthabaska was being restored as a national museum under the direction of Mme J. E. Perrault, wife of the Minister of Roads.

After nearly 23 years of continuous service as its Director, Henri Bourassa, M.P., on Aug. 4, 1932, unexpectedly severed his connection with *Le Devoir*, a militant and brilliantly written Montreal newspaper which he had founded.

A long career reached the end of its active period, when, on May 1, 1933, the Venerable F. G. Scott, Archdeacon of Quebec—beloved padre of the World War and better known to fame as Canon Scott—resigned as Rector of St. Matthew's Church, Quebec, in order that he might devote more time to the interests of his War comrades.

The 1933 Session of the Legislature

On Jan. 10, 1933, the Second Session of the Eighteenth Legislature of the Province of Quebec was opened in traditional form by the Lieutenant-Governor, Hon. H. G. Carroll. The Speech from the Throne regretted the death of Hon. Narcisse Pérodeau (Leader of the Legislative Council and a former Lieutenant-Governor).

It stated that Quebec, though passing through the depression better than any other Province, was, nevertheless, gravely affected by it; therefore, in accordance with the policy adopted by the Government of the practice of the strictest economy, no projects entailing large outlays of money would be considered for the time being. An exception would be observed, however, in the case of agriculture, so facilities might be given to the sons of farmers to establish themselves on new lands. Another announcement to aid the workless of the Province was that working hours were to be reduced in certain industries so as to give more employment.

Hon. George Bryson, as successor to Hon. Narcisse Pérodeau, took his place as Leader of the Legislative Council, and the new Councillors, Hon. G. W. Scott, Hon. Victor Marchand and Hon. Gustave Lemieux, were introduced to the Speaker, Hon. Jacob Nicol.

The following day, the Motion to present an Address-in-Reply to the Speech from the Throne was introduced in the Legislative Assembly by J. A. Crête (Laviolette) and seconded by W. H. Duffy (Compton). In the Upper Chamber, the Mover of the Address was Hon. Victor Marchand and the Seconder, Hon. Gordon Scott. Following these Members, surprisingly independent speeches were delivered by Hon. Elysée Thériault and Hon. J. C. E. Ouellet—both of strongly Liberal antecedents. The former scored the alleged abuses of capitalism in the Province and delays by the Government in paying their debts. Social legislation was backward, in his opinion, and the rates for electricity were too high. Mr. Ouellet was no less plain-spoken about the needs of Agriculture. The Address was then adopted and the Council adjourned until the last day of January.

On Jan. 12, the Debate on the Motion to Address a Reply to the Speech from the Throne was continued in the Assembly by Hon. L. A. Taschereau (Prime Minister) and Mr. Maurice Duplessis (House Leader of the Opposition); the latter speaking along lines of general policy, with particular reference to the subject matter of the Speech from the Throne. The Address was adopted following the Prime Minister's outline of the work of the Session and after only two days of debate, thus breaking all records for expedition in thirty years. On Jan. 13, the Assembly adjourned until the 24th of the month in order that Mr. Taschereau might attend the Dominion-Provincial Conference at Ottawa.

The Session as a whole was devoid of special colour and incident; in fact, it was tedious on many occasions. Business got under way slowly and the Opposition was seldom militantly-disposed. In the first place, legislation had to do very largely with the unemployment situation and, therefore, afforded slippery fighting-ground at best. Moreover, the following of Mr. Duplessis—although small—was still inexperienced, somewhat undisciplined, and by no means united. Messrs. Gault, Guertin and Barré, at any rate, regretted the disappearance of Camillien Houde and could muster up no enthusiasm for the man who had spoken against the latter's project of contesting the General Election *en bloc*. Hence, the new House Leader of the Opposition had to walk warily so as to avoid exposing the weakness of his situation unnecessarily and to consolidate his organization as far as possible. While he provoked far fewer Divisions than had been the Conservative policy for a number of years, he yet delivered several jarring attacks on selected occasions and exerted considerable influence upon the course of legislation, by shrewd constructive suggestions or criticisms that the Government did not hesitate to accept. Perhaps the greatest personal triumph scored by Mr. Duplessis was in connection with the annual Bill to amend the charter of Three Rivers, his native city. In spite of his protests against a particular clause, both in the Private Bills Committee and on the floor of the House, it was adopted by the Assembly. Nothing daunted, he then appeared before the Private Bills Committee of the Legislative Council and argued so persuasively that the offending clause was rejected, there and then. Upon the Three Rivers Bill being returned to the Assembly, that body refused to concur in the Council Amendment and re-instated the clause over renewed protests by Mr. Duplessis. The Red Chamber now felt apparently that its gesture was sufficient or that further opposition was useless and passed the Bill as it was received a second time from the Lower House. Even so, the exploit of the Opposition Leader was a considerable one, having regard to the fact that the Council was solidly Liberal, with two exceptions.

J. Alcide Savoie, Liberal Member for Nicolet, died at Sherbrooke, aged 60 years on Feb. 4, having sat in the Assembly since 1917. The following Tuesday when the Members re-assembled after the week-end Recess, a beautiful wreath was placed upon his desk. This was the second vacancy in the Chamber; the first had been occasioned by the elevation of Victor Marchand, Liberal Member for Jacques Cartier, to the Legislative Council (Apr. 13, 1932).

On the Government side, the Prime Minister (Mr. Taschereau) still easily dominated the Assembly and was as untiring as ever in his devotion to duty. As usual, his birthday on Mar. 7 was remembered by the Liberal Members with a presentation of roses, this time, sixty-six. Owing to the number and urgency of the problems created by unemployment and the economic depression, the brunt of the work fell upon Hon. C. J. Arcand and Hon. J. N. Francoeur. Hon. R. F. Stockwell was also very active. Hon. L. Athanase David was absent for the greater part of the Session, through ill-health. Several private Members—notably Anatole Plante (Mercier-Montreal), Amédée Caron (Illes de la Madeleine), Lucien Dugas (Joliette) and Robert Taschereau (Bellechasse)—were outstanding for their initiative in introducing public bills. Probably the four chief measures of the Session were those amending the Workmen's Compensation Act; authorizing the export of power from the Province; placing church corporations under the jurisdiction of the Quebec Municipal Commission; and regulating instalment sales (details elsewhere in this Section). The last-named Bill was the most bitterly contested of all those submitted to the Legislature.

If the feminists of Quebec had reason to feel encouraged at partial successes won during the previous Session, events of the 1933 Session could have caused them little satisfaction. On Feb. 7, a Motion by J. A. Francoeur (Dorion-Montreal) for the production of correspondence, precipitated a vigorous Debate in which Members were given an opportunity—of which a number of them took full advantage—to register their protests against the employment of women in industry to the prejudice of male workers, par-

ticularly during the depression. And a couple of weeks later, on Feb. 22, the Woman's Suffrage Bill—sponsored once again by Dr. Anatole Plante (Mercier-Montreal)—was given the six months' hoist upon Motion of Dr. E. Poulin (Laurier-Montreal), the vote this time standing at 53 to 20. The adverse majority was thus 33 as against one of 29 at the previous Session.

It was on Feb. 9, that Hon. R. F. Stockwell (Provincial Treasurer) brought down his first Budget (a full account will be found elsewhere), an important feature of which was a cut of over \$5,000,000 in expenses, provided for in the Estimates. Col. Stockwell complained of the \$35,000,000 transaction with the banks, made without warning by the Federal Government some time previously. He charged that this action had occasioned heavy losses in exchange to the Provinces which had payments to make in New York immediately afterwards, the rate having risen sharply from 8 to 18 per cent.

On Feb. 14, a Resolution of congratulations to Cardinal Villeneuve upon his new honour was adopted by the Legislative Assembly, upon Motion of Mr. Taschereau (Prime Minister), seconded by Mr. Duplessis, Mr. Gault and Col. Stockwell. A few days later a similar Resolution, moved by Hon. George Bryson seconded by Hon. Frank Carrel and Hon. A. V. Roy, was likewise adopted in the Legislative Council. This was followed on Mar. 14, by a message sent to His Holiness the Pope by the Prime Minister, expressing the thanks of the Legislature of Quebec for the honour conferred upon Cardinal Villeneuve.

During the Session the Upper Chamber displayed more than usual activity and on several occasions the interest in its Debates vied with that of the Popular House. A Motion by Hon. John Hall Kelly for the production of papers relative to economic conditions in the Province, enabled him to enlarge upon the situation and the needs of his native Gaspé. Mr. Carrel followed with a well-informed and well-reasoned address upon the maple sugar industry; while Hon. Mederic Martin was in favour of a wide-open immigration policy. Hon. W. Gerald Power urged protection of the forest industries; and Hon. Gordon Scott dwelt upon the necessity of international co-operation and the restoration of confidence. This Debate occupied the greater part of March and at the end of the month Mr. Kelly brought forward another Motion, this time in favour of a revision of the Fisheries Treaty between the Province and the Federal Government, so that Quebec might benefit from Dominion expenditures to assist commercial fisheries. Mr. Carrel urged a greater consumption of fish by the public as a practical means of supporting the industry. Outstanding addresses were delivered in the Lower House by Irenée Vautrin, Deputy Speaker and Member for Saint Jacques-Montreal, who reviewed the whole subject of social insurance; and by Dr. Gaspard Fauteux (Ste. Marie-Montreal), who wished the Provincial Government to take over the gasoline industry in the same way that they had already taken over the liquor industry. This idea failed to meet with general approval, however.

Two separate projects to regulate instalment-buying were introduced in the Assembly: one by Lucien Dugas (Joliette) provided that the contract between the merchant and the purchaser should not be extended over more than two years; that there should be a cash payment of from 5 to 20 per cent.; that there must be an official copy of the contract; and that the landlord of the purchaser might complete unpaid instalments in order to have the right to seize the goods in satisfaction of rent. The second Bill was sponsored by Robert Taschereau (Bellechasse): it gave the landlord privileges on all movables, whether fully paid for or not. This Bill was dropped by the Public Bills Committee and it was only late in the Session, after a stubborn fight, that the Dugas Bill, changed beyond recognition, was finally carried. The main provision of the revised project was that when the merchant seized an article because the instalments had not been paid, he must keep it for 20 days before re-selling it, in order to give the purchaser an opportunity to recover it. Another measure sadly emasculated in its passage through the Legislature was that of Mr. Caron (Iles de la Madeleine), to make the carrying of lights by horse-drawn vehicles compulsory after dusk. It was amended

to exempt farmers' working vehicles, on second reading, and then, finally, given the six months' hoist.

A couple of Government measures were designed to relieve a difficult situation and to meet Opposition criticisms, voiced by Mr. Duplessis, that the Government were doing nothing to relieve hospitals and other charitable institutions; that they were slow in paying their debts; that they played politics in unemployment relief work and even sought to recover money owing to them by the Federal Government out of the municipalities' share of relief. The Provincial Treasurer put through a Bill to enable him to make contributions to the hospitals out of the Consolidated Revenue Fund. Hitherto such contributions could come only from the Public Charities Fund but this had become inadequate owing to the arrears of municipalities. Similarly, Hon. J. N. Francoeur, Minister of Public Works, sponsored legislation to authorize the Provincial Government to pay either the Federal Government's share or the share of any municipality of the cost of unemployment relief, at need. Inside of a month the Prime Minister was able to advise the House that \$1,000,000 had been paid to charitable institutions and that only \$200,000 of arrears were left outstanding.

Other depression measures, apart from that of Mr. Arcand (Minister of Labour) to limit the hours of work in certain industries, were Bills to prevent the application of the foreclosure seizures on farms to live stock; to create a farmers' debts moratorium by giving judges power to extend the due date of a mortgage one year, provided no hardship would be inflicted on the mortgage-holder and that the municipal taxes and the interest on the mortgage had been paid; to place parish finances under the control of the Quebec Municipal Commission—this measure receiving the approval of the Church dignitaries; and to provide that parish taxes should go with property at a sheriff's sale, so as to protect the revenues of the Church.

The Bill of Hon. Honoré Mercier, to permit of the export of 300,000 horse power of electricity from the Province, at \$2 per horse power, met with vigorous criticism from the Conservative group as a direct reversal of policy. But it was defended both by the Minister and by the Prime Minister on the ground that the Power companies had spent millions on development in order to meet anticipated needs. Owing to the depression, demand had been halted and, in consequence, there was a surplus supply of power that might not be absorbed for years. Meanwhile, it was claimed, the citizen who had invested his capital in power must be protected.

The first year of the Workmen's Compensation Commission under the system of state insurance had occasioned considerable disappointment by ending in a substantial deficit, and this situation was reflected in Mr. Arcand's measure reducing the compensation in certain classes of indemnity and leaving the selection of doctors in the hands of the Commission, in every case, instead of in those of the accident victim. The welfare of the tourist was sought by Hon. Joseph E. Perrault in two Bills, one of which created a Provincial Tourist Council, while the other, to preserve the highways from disfigurement, made it obligatory to keep billboard posters back a fair distance from them. Similarly, the Provincial Treasurer had the Liquor Act amended so that liquor stores might be kept open until 11 p.m. in towns of 25,000 population and over. By this means it was also hoped to reduce the patronage of bootleggers to a minimum. Feeling against the chain stores was shown by an Amendment to the Montreal City Charter giving that city the right to impose a cumulative tax upon them, according to the number of stores operated. The repeal of the Mechanics' Institute and Workers' Libraries Act, a measure that had stood upon the statute books for many years, represented a move by the Government to control the activities of Communist agitators. In the dying hours of the Session, J. M. P. Sauve (Two Mountains) made an unsuccessful attempt to secure the repeal of the so-called Dillon Law, regarding elections, which was particularly detestable to the Opposition. And, still more sensational, Joseph Filion (Laval) a Liberal Member, came forward with an outspoken Motion declaring that the Legislative Council had outlived its

usefulness. A Motion to adjourn Debate carried, 29 to 11, thus saving the Red Chamber for the time being. Five or six Liberals supported the Motion, in addition to the Opposition, and Mr. Filion darkly threatened to renew his campaign at the next Session.

Unanimous approval of a measure providing assistance to the University of Montreal, to the extent of \$1,500,000, was voiced by the Legislative Assembly on Apr. 11. Maurice Duplessis (Conservative Leader), speaking in support of this legislation, stated his belief that the matter of education was definitely a non-partisan one and that the Government's action was a fitting recognition of the work of the University.

Prorogation came on Apr. 13, 1933, the Lieutenant-Governor dismissing the legislators in a brief Address in which he thanked them for their efforts. Ninety-six Bills were sanctioned. Previously, on Mar. 15, Royal Assent had been given to sixty-three Bills and on Mar. 29, to twenty Bills. The total number for the Session, therefore, was one hundred and seventy-nine, a considerable increase over 1932-33, when only one hundred and fifty-eight were adopted.

The Budget Speech. His first Budget Speech as Treasurer of the Province was delivered by Hon. R. F. Stockwell in the Legislative Assembly on Feb. 9, 1933, and was much admired not only for the clear and business-like manner in which it presented the financial situation but also for the courage with which the new Minister frankly confessed to the second Deficit—and the first of any proportions—which any Treasurer had been obliged to report since the beginning of the long Liberal *régime* in 1897.

"It has long been a proud boast, almost a tradition of ours, that the Province of Quebec lives within its means," Mr. Stockwell declared. "Uninterruptedly for over thirty years the Public Services and general expenditures of government have been provided for out of our Ordinary Revenues; and a Surplus carried forward to apply towards Capital Expenditures on permanent works . . . thereby saving that much interest on the Public Debt. Even for two fiscal periods after the financial *débâcle* of 1929, this continued to be our happy fortune, notwithstanding the steadily mounting demands for additional expenditures of every nature to aid the unemployed, the municipalities and business in general. The fiscal year which ended June 30, 1932, saw no abatement in these demands; instead, they increased in their intensity . . . It became apparent in the Spring of 1932 that the estimated revenues would not be realized; they fell short of the objective by almost \$2,000,000 and this, applied to a reduction in Ordinary Expenditure of approximately \$1,200,000, turned our Estimated Surplus of \$158,786.81 into a Deficit of \$584,708.61. It is worth noting, however, that during the same period the Province set apart from Ordinary Revenue the sum of \$1,309,248.01 as further contributions to the Sinking Funds instituted to retire the Public Debt of the Province." Nevertheless, in the face of such a result, it was hardly surprising that the Treasurer should observe that the watch-word, "Economy", had been handed on to him by his predecessor, Hon. L. A. Taschereau, and that he would pledge himself to lend his support in every way to that policy.

The summarized results of the fiscal year's (ended June 30, 1932) financial operations were as follows: Ordinary Revenues (other than Capital, Trust Funds, Deposits, etc.), \$36,941,020; Ordinary Expenditures, \$37,525,729; which left an excess of Ordinary Expenditures over Ordinary Revenues of \$584,709, as stated above. Capital and other Receipts were \$31,346,700 and Capital and other Expenditures were \$33,992,520; leaving a Deficit of \$2,645,820. The excess of Total Expenditure over Total Receipts, therefore, was \$3,230,528. By deducting \$3,074,047, the Cash in Banks at June 30, 1931, this figure was reduced to \$156,481. And this, deducted in turn from \$3,198,789—which represented the increase in the Warrants authorized but unpaid at June 30, 1932, over the same date of 1931—gave the Cash in Banks at June 30, 1932, as \$3,042,308.

Of the 1931-32 Revenues, 63.92 per cent. was derived from the Dominion Subsidy, Alcoholic Liquor Act (Trade Account), Lands and Forests, Motor Vehicle Act and Gasoline Duties and Fees. Another 25.13 per cent. was derived from Duties on Successions, Taxes on Corporations and Licences, Hotels, Shops, etc.; while the remaining 10.95 per cent. came from other Ordinary Revenues. Of the Expenditures, again, 61.71 per cent. went to Education, Roads and Mines, Public Works and Labour, Agriculture, Lands and Forests and Colonization. Administration of Justice and Civil Government accounted for 12.33 per cent.; Interest and Sinking Fund for 14.24 per cent.; and other Ordinary Expenditures for the remaining 11.72 per cent. The main shrinkages in Revenue as compared with the previous fiscal year, were in Succession Duties and Receipts from Lands and Forests. Notable reductions were made in the Expenditures on Roads and Mines and on Public Works and Labour.

During the fiscal year 1931-32, the Net Funded Debt of the Province was increased by \$6,442,572, due to the sale of \$7,750,000 of 5 per cent. five-year bonds in December, 1931, under authority of the Roads Act. The price received, 99 and accrued interest, compared with one of approximately 98¼ received by the Dominion Government in November, 1931, for 5 per cent. five-year National Service Loan bonds which were offered to the public at 99¼. The issue just referred to represented part of an authorized issue of \$10,000,000 and in July, 1932, the remaining \$2,250,000 was sold at the same price; namely, 99 and accrued interest. On Jan. 11, 1933, \$9,000,000 of 4½ per cent. thirty-year sinking fund bonds were sold at a price of 97.119, representing a cost basis to the Province of approximately 4.67 per cent. Of this *The Financial Post* said: "No other Canadian borrower, excepting only the Dominion Government, could have secured as good a price at this time."

Education: The Department; Institutions

During the school year ended June 30, 1932, the Catholic Committee of the Council of Education suffered two losses by the deaths of Mr. Justice A. M. Tessier on May 26 and of Dr. J. J. Guerin on Nov. 10. The first vacancy was filled by the appointment of Mr. Justice Antonin Galipeault, but the second still remained at June 30, 1932. The Protestant Committee also reported the loss of a valued member, Dr. Isaac Gammel, who died in May (1932). The Report of Cyrille Delâge, Superintendent of the Department, to the Provincial Secretary, showed that at the close of the fiscal year ended June 30, 1932, there were 1,651 school municipalities, administered by 1,839 corporations in the Province. Of these last, 1,497 were Catholic—1,454 being under Commissioners and the remaining 43 under Trustees—while 342 were Protestant—197 under Commissioners and 145 under Trustees. There were built or repaired 516 Catholic schools at an expenditure of \$4,421,455 and 99 Protestant schools at an expenditure of \$521,500. There were in the Province a total of 7,716 Catholic schools staffed by 6,460 male and 15,950 female teachers, and attended by 289,309 boys and 281,482 girls, or 570,791 pupils, all told; the percentage of average attendance was 83.28 per cent. Protestant schools totalled 732 with staffs of 961 male and 2,422 female teachers, and an attendance of 43,052 boys and 39,508 girls, forming a total of 82,560 pupils. The average percentage of attendance was 80.05 per cent. The total contribution of the Government to these institutions was \$5,804,746; of which amount \$3,870,454 came from the Department of Education and \$1,934,291 from the other Departments. The total contribution of the municipalities and independent institutions was \$29,350,278.

Educational Institutions. The enrolment of students at McGill University, Montreal, during the session of 1932-33 showed a slight increase over the previous year, the total being 3,090, which included 2,180 men and 910 women. The Faculty of Arts and Science was the most numerous followed, with 606 men and 498 women; the Faculty of Medicine came next, with 471 men and 11 women; the Faculty of Engineering, third, with 345 men;

and the Faculty of Graduate Studies and Research, fourth, with 224 men and 64 women. The more important appointments to the staff during 1932-33 were as follows: T. W. M. Cameron, D.Sc., Professor of Parasitology and Director of the Institute of Parasitology; H. B. Fantham, M.A., (Cantab.), D.Sc. (Lond.), Strathcona Professor of Zoology and Chairman of the Department; C. E. Fryer, Ph.D., Chairman of the Department of History; J. F. Snell, Ph.D., Acting Dean of the Faculty of Agriculture; P. J. Turner, F.R.A.I.C., Professor of Building Construction; and E. Dyonnet, R.C.A., Professor of Freehand Drawing. The major benefactions received by the University during 1932-33 included: from Sir Herbert Holt, \$100,000 for the Neurological Institute; from Walter M. Stewart, \$5,000 to the General Funds, \$3,700 for Macdonald College, and \$12,500 for the Neurological Institute; from the estate of Jeanie Forsyth (deceased), \$5,000 to endow three prizes in Engineering, Medicine and English Literature; from the Commercial Society of McGill University, \$750 toward the "Commercial Society Loan Fund"; from the estate of R. B. Van Horne (deceased), \$500; from Dr. and Mrs. F. D. Adams, \$600 for a Scholarship in Geological Sciences; from the Howard Smith Paper Mills, \$600 for a Scholarship in Industrial and Cellulose Chemistry; from an anonymous source, \$500 to continue the Course in Voice Production; from Miss Isabella C. McLennan, \$1,356 for the Travelling Libraries; from Hon. Vincent Massey, \$10,000 to the Department of Biochemistry; from the Carnegie Corporation, \$14,400 towards the maintenance of the Library School, and \$15,000 for the purchase of books for undergraduate reading; from Dr. Casey Wood, \$1,800 for the Emma Wood Library of Ornithology; from J. W. McConnell, \$20,000 for the Neurological Institute; from the National Research Council of Canada, \$1,000 for the Department of Botany, \$795 for travelling expenses in connection with the Solar Eclipse; and from an anonymous source, \$5,000 for the Department of Biochemistry. At a special Convocation held on Apr. 18, 1933, the honorary degree of "LL.D." was conferred upon Sir James Salter, K.C.B. (former Director of the Economic and Finance Section of the League of Nations), London, England. The same degree was conferred at the regular Annual Spring Convocation (May 25, 1933) upon Walter William Chipman, M.D., *Emeritus* Professor of Obstetrics and Gynaecology and a Governor of McGill University; John Alexander Dresser, M.A., Director of the Division of Geology, Bureau of Mines, Quebec City; Henri Amedée Lafleur, M.D., *Emeritus* Professor of Medicine at McGill University; Hon. Vincent Massey, M.A., Chairman of the Massey Foundation, Port Hope, Ont.; and His Eminence Cardinal Jean Marie Rodrigue Villeneuve, Archbishop of Quebec. At this Convocation 548 degrees were awarded to 430 men and 118 women, as follows: "B.A.," 130; "M.D., C.M.," 83; "B.Eng.," 74; "B. Com.," 55; "Ph.D.," 36; "M.A.," 33; "M.Sc.," 31; and "B.Sc.," 27; the remainder was scattered among various courses in smaller numbers. Diplomas were also awarded to 53 students, including 51 women and 2 men, mostly in the Schools for Graduate Nurses and for Physical Education.

The year 1932-33 was again a difficult financial one for the University of Montreal, owing to the ambitious building programme undertaken before the appearance of the economic crisis. The total enrolment for 1932-33 was reported as 7,438. On May 15, 1933, the honorary degree of "Doctor in Dental Surgery" was conferred upon Dr. Antoine Emile Lantier, Quebec City. At the same time 386 degrees were bestowed upon graduating students: 52 were in the Faculty of Law; 49, in Medicine; 39, in Commerce; 37, in Applied Science; 34, in Dental Surgery; 43, in Political and Social Sciences; 31, in Agriculture; 28, in Music; 16, in Theology; 16, in Applied Social Hygiene; 17, in Veterinary Surgery; 11, in Pharmacy; and the remainder in miscellaneous courses.

The total enrolment at Laval University, Quebec, was not available for 1932-33. Hon. Adjutor Rivard retired as Professor of International Law and new appointments included those of Antonio Langlais, K.C., Antoine Rivard, K.C., and Fernand Choquette, K.C., in Law; and Rev. P. M. Gaudreault, O.P., in Philosophy. The new building, to house the Faculty of Law, the Normal Superior School, the Institute of Biology and the Anatomy Amphitheatre, was

inaugurated during the 1932-33 session. The foundation as a bequest of the Caouette Prize for Gynæcology was announced during this period. At the Annual Convocation held on May 31, 1933, the honorary degree of "Doctor of Laws" was conferred upon Hon. Justice Wilfrid Laliberté and Hon. Justice Noel Belleau, Quebec City; Hon. Justice Hector Verret, Sherbrooke, P.Q.; and Jules Arthur Gagne, K.C., Professor at Laval University, Quebec City. At the same time a total of 729 degrees were conferred upon graduates and post-graduates; of these, 12 were in Theology; 21, in Law; 79, in Medicine; and 617, in Arts.

At the University of Bishop's College, Lennoxville, the attendance was well maintained during the Session 1932-33, being so numerous, indeed, as to tax the capacity of the University buildings. On Oct. 20, 1932, a memorable Convocation was held at which Hon. R. A. E. Greenshields, Chief Justice of Quebec, was installed as Chancellor, in succession to Dr. F. E. Meredith, K.C., of Montreal, who had resigned after completing the usual six-year term of office. The honorary degree of "D.C.L." was conferred upon five distinguished Canadians in the persons of Hon. H. G. Carroll, Lieutenant-Governor of the Province; Hon. G. Howard Ferguson, High Commissioner for Canada at London, England; Sir Charles Gordon, President of the Bank of Montreal; Hon. J. E. Perrault, Provincial Minister of Roads and Mines; and Hon. Smeaton White, Senator and President of the Gazette Printing Company, Limited, Montreal. The annual Convocation for the conferring of degrees was held on June 15, 1933, and the same honorary degree was then conferred upon Sir William Clark, K.C.M.G., High Commissioner in Canada of His Majesty's Government in Great Britain; Albert Ham, M.U.S.D., Toronto, Chairman of the Board of Examiners for degrees in Music at Bishop's; and the Rev. (Professor) Carrington, M.A., S.T.D., Dean of Divinity at Bishop's. Other degrees were conferred as follows: "B.D.", 2; "M.A.", 3; and "B.A.", 23. At the same time a number of High School and Divinity House diplomas were awarded, as were also prizes in Arts and Divinity.

During the academic year 1932-33 the new building of Loyola College, Montreal, comprising the College Chapel and Academic Hall, was completed. Appointments at the College during this period included: Rev. Francis Downes, Professor of Classics; Rev. Christopher Keating, Prefect of Discipline; Rev. Raymond Sutton, Assistant Prefect of Discipline; Rev. Austin Bradley, Professor of English; Rev. Frederick Elliott and Rev. John Master-son, High School Department. The annual Convocation was held on June 2, 1933, when 15 "B.A." and 2 "B.Litt." degrees were conferred, in addition to the awarding of the usual prizes.

The enrolment for 1932-33 at the School of Higher Commercial Studies, Montreal, was as follows: Day courses, 157; Evening courses, 407; and Home Study Department, 428. During the year a grant of \$3,000 was received from the Carnegie Corporation of New York for library work. On Dec. 22, 1932, the honorary degree of "D.Com." was conferred upon Arthur Terroux, Montreal, President of the Board of the School. At the annual Convocation the following degrees were bestowed: "B.Com.", 11; "M.Com.", 17; and "C.A.", 7.

Provincial Secretary and Registrar; Other Depart- mental Reports

The Forty-Sixth Annual Report of the Department of the Provincial Secretary and Registrar, as presented by the Minister, Hon. Athanase David, showed a revenue from fees that amounted to \$114,202 during the fiscal year ended June 30, 1932, a slight falling-off from the preceding period. In conformity with the Quebec Companies' Act, Letters-Patent were issued to 848 corporations, with an aggregate capital of \$45,477,365. Supplementary Letters-Patent to the number of 113 were also issued. Annual Reports were received from nearly 4,000 companies and 12 foreign corporations were licensed to carry on business in the Province.

As in previous years every possible assistance was given to school municipalities in the building and repairing of school houses. At the same time, undertakings were strictly limited to necessary work. In all, a total sum of \$808,000 was distributed in grants: \$45,000 for boys' academies; \$368,525 for small schools; and \$384,475 for other elementary schools. The number of evening classes attending Night Schools considerably increased during the year from 264 to 365; while the 1931-32 enrolment was 9,066, as compared with 7,360 for the preceding year. An increase in the students attending the Polytechnic Schools from 216 to 290 was an agreeable surprise. The number of students attending the Schools for Higher Commercial Studies was 1,098.

During the fiscal year, 1,885 documents were registered and numerous copies were supplied by the Registrar's Department.

The Archives of the Province were completely housed by June 30, 1932, in the new Museum and Archives Building on the Plains of Abraham, in the National Battlefields Park, near the Wolfe Monument. The work of classifying all documents and exhibits had been completed and a start had been made upon the index that was required for purposes of reference.

A marked improvement in the condition of the public health in the Province during the year ended June 30, 1932, was reported by Dr. Alphonse Lessard, Director of the Provincial Bureau of Health. Still enjoying the highest birth-rate in the Dominion, and holding her place in this respect among the countries of the world, Quebec had nevertheless dropped the birth rate to less than 30 per 1,000, a rate never before recorded in the Province. On the other hand, Dr. Lessard predicted that for the calendar year of 1932 Quebec would have an infant mortality rate of less than 100 per 1,000 living births, for the first time in her history.

The activities of the various Divisions of the Bureau continued to show a marked increase during the period under review: that of Sanitary Engineering, by the greater number of investigations of existing or proposed water and sewerage systems; that of Laboratories, in the preparation of convalescent serum distributed *gratis* to the doctors of the Province for treatment of infantile paralysis and in a constantly increasing number of examinations by the Laboratory of Serology of the Venereal Disease Division. A new Division was created during the year: the Division of Epidemiology, the need of which had been felt for a long time and as a consequence of whose work a marked diminution in epidemics was expected in the future.

Colonization, Game and Fisheries. An Annual Report was again submitted by Hon. Hector LaFerté as Minister of the Department. During the fiscal year ended June 30, 1932, grants were distributed among the various Counties of the Province to a total amount of \$2,816,676, made up of \$1,522,860 in Ordinary Grants, \$1,289,815 in Grants for the Re-establishment of Unemployed Labour, and \$4,000 in Grants to Colonization Societies. Another amount of \$2,812,676—to which must be added \$71,880 in local contributions—was expended among the Counties to open 333.93 miles of Winter roads, to complete 373.65 miles and to repair 1,731.11 miles of vehicular roads, and to build 19,178 feet of bridges and culverts. The amount shown above as Grants for the Re-establishment of Unemployed Labour was made up as follows: \$391,017 for the opening, improvement, construction and repairs of roads and bridges; \$112,282 for land clearing premiums; \$740,837 for aid to families; and \$45,681 for salaries and expenses.

During the fiscal year there were sold for colonization purposes, 2,318 lots comprising an area of 214,951 acres, exclusive of some 4,000 vacant, abandoned or patented lots which were taken up by unemployed persons from the cities. Letters-Patent were issued for 392 lots and cancellations made annulling the sale of 1,400 lots. The receipts from these sales totalled \$41,928. On non-patented lots, 280,589 acres of land were ploughed and 172,318¾ acres were cleared and sown. Of these totals, 22,966 acres were ploughed for the first time while 29,741½ acres, already cleared, were likewise

sown for the first time. New settlers to the number of 2,276 were residing permanently on their lots.

Through the efforts of the special service organized for that purpose, 386 families were repatriated from the United States to the Province during the first ten months of 1932. Of this number, 165 families, comprising 724 persons, were financially assisted by the Government.

The report of the Fish and Game Service showed that the general receipts for the year were \$423,626, the main items being: Royalty on Furs, \$86,014; Club Leases, \$204,687; and Fishing Licences, \$44,135. The Royalty on Furs was derived from 384,600 pelts of all kinds, having an aggregate value of \$1,847,871. Particularly interesting were the statistics of Clubs and Lessees of fishing and hunting rights. According to these, there were, during the 1932 season, 555 Clubs and Lessees in the Province who paid rentals to a total amount of \$209,318 for leases of 321 rivers and 3,938 lakes. These were contained within 15,674 square miles of hunting territory in which there were 4,052 miles of roads and portages. The value of construction and improvements was \$3,991,630. In addition, there were 1,863 camps belonging to Clubs and 1,661 to private owners. The boats belonging to Clubs were 3,809 and those to private owners, 2,533. There were 824 camp guardians and 2,522 guides. Club members resident in the Province numbered 3,890; non-resident members, 4,483; and guests, 8,810. The fish caught included 282,787 lb. of trout, 109,962 lb. of salmon, and 74,869 lb. of other varieties. The game killed was comprised of 376 moose and 1,000 deer. The total expenditures incurred by Clubs, Lessees or Guests in the Province reached a grand total of \$2,504,732. The total commercial catch of fish of all kinds in 1931 amounted to 850,766 cwt. with a value to the fishermen of \$1,636,576.

Department of Lands and Forests. Hon. Honoré Mercier's Report for the fiscal year ended June 30, 1932, showed that a total of 8,443,890 acres of Crown lands were sub-divided and available at the beginning of that period. During the year, 151,276 acres were sub-divided and 153,661 acres reverted to the Crown, bringing the total area up to 8,748,827 acres, of which 215,368 acres were granted for agricultural and industrial purposes.

The Revenues of the Department from all sources reached a grand total of \$4,129,068 which included the following items: sale of village lots, administration of the Jesuits' Estates and the Signory of Lauzon, \$33,507; sale or lease of beach lots and water powers, \$373,094; rentals, etc., of Provincial reservoirs, \$635,258; leases of timber limits, \$191,010; stumpage dues, \$2,747,704; and fines and accrued interest, \$101,187.

G. C. Piché, Chief of the Forest Service, reported to the Minister that in twenty-four years experience he had never known such a disappointing period as the one just elapsed. "The volume of forest operations has been the lowest yet recorded, being inferior even to that for 1921-22. The selling prices of forest products have fallen to the lowest levels that we have known in thirty years. Tariff barriers raised by certain countries, such as the United States, have paralyzed our exports of lumber. Construction work and building have diminished everywhere. Foreign woods are disputing with us the European market in which, following the collapse of the pound sterling, we are unable to recover our former place. Falling prices of metals increases their competition with wood in building and manufacturing. And lastly, credit houses, by compelling their clients to make forced sales, have contributed to demoralizing the lumber market still further. For its part the paper industry has been profoundly affected by the continual fall of the prices of pulp and newsprint and by the constantly diminishing operations of its mills. There is still hope, however."

The chief, if not the only optimistic feature of any consequence, during the period under review was the beginning of operations, which took place

in the month of April, 1932, in the cellophane mill built by Canadian Industries Ltd., at Shawinigan Falls during the previous year. So great was the demand for the product that it was necessary to start a second machine some three months later. The plant, which cost more than \$1,150,000, was giving permanent employment to 150 workers.

Wood cut on timber limits during the year was about 540,053,120 feet board measure, and burnt wood cut was only 13,681,000 feet board measure. The number of camps was reduced to 1,213 from 2,052; the number of men employed in them from 26,119 to 16,140; and the number of horses used from 9,472 to 5,133. Inventory work on timber limits covered 2,828 square miles with 12,893,000 cords of soft woods and 2,747,000 cords of hard woods. This brought the total area inventoried up to 39,874 square miles, containing 154,624,511 cords of soft woods and 30,082,315 cords of hard woods, or an average per acre of 6 cords of soft woods and 1½ cords of hard woods. Since 1923 the total area inventoried by the Government covered 24,727 square miles containing 83,712,923 cords of soft woods and 12,460,431 cords of hard woods.

Applications to exploit maple groves on vacant Crown lands were increasing a little every year and 157 permits were issued during 1931-32. Township Reserves organized numbered 13 and had a total area of 91,458 acres. The total number of these reserves was 99 in 1932, covering 799,915 acres or 1,249 square miles. An inventory showed that there were more than 41,000,000 plants in the Berthier nursery. Reforestation work commenced or continued in Township Reserves took 5,600 pounds of seed and 2,560,161 plants.

The School at Three Rivers had an attendance of 319, an increase of 7 per cent. from the previous year. The Technical Section continued to progress with 24 students following regular courses, while 24 others took special courses. The Newsprint Section, however, was traversing a period of difficulty. Expenditures of the Forest Fire Protective Service totalled \$508,000 and the cost of extinguishing fires was \$47,899, of which the Government paid \$36,918 and the limit-holders, \$10,981. An area of 42,485 acres was burned over by 1,020 forest fires. Permits to burn "slash" numbered 53,017 and the area burned was 108,545 acres. Circulation permits issued totalled 158,469. During the year 5 water power concessions were granted. The revenue derived from the development of water power was \$1,008,352. Federal statistics indicated that hydro-electric power for all Canada totalled 6,666,000 horse power at Jan. 1, 1932. About one-half of this amount or 3,100,000 horse power was developed in the Province of Quebec, which still retained its leadership. The increased development during the year was 382,000 horse power.

Department of Agriculture. The second Annual Report bearing the signature of Hon. Adélar Godbout showed the customary activity prevailing in the Service of Agronomes which was instructing, assisting and advising the farmers of the Province. The Rural Economy Service continued the important work of classifying natural watercourses and improving the drainage on farms in all parts of the Province. During 1931 there were incorporated 23 new Agricultural Co-operative Societies, thus bringing the total number under the new Act of the previous year up to 59; in addition there were 24 reorganized Societies. All these had subscriptions of \$50 or \$100, with contracts, and were eligible to receive from the Department 1½ per cent. on the total sales of their farm products. Only 30 Societies were left in the Province at June 30, 1932, operating under the old legislation, with \$10 subscriptions. In the 105 Societies of all kinds there were 17,821 members. Their combined paid-up capital was \$467,205 and their sales totalled \$8,972,798. An aggregate deficit of \$27,815 was sustained by 11 Societies, while 65 had an aggregate surplus of \$69,608 from their year's operations. The total number of clubs for farmers' wives was 144 with 6,950 active members at June 30,

1932. There were also 44 Demonstration Farms, an increase of 2 during the period.

There were 7,737 bee-keepers in the Province who owned between them 103,888 swarms. The average number of swarms per keeper was 13.4 for the 1931 season and the average crop was 38.5 pounds of honey per swarm. The year was a better one for quality than for quantity so far as maple products were concerned. Preliminary figures showed a total production of 6,500,000 pounds of sugar and 1,150,000 gallons of syrup. From January to May 31, 1932, maple exports to the United States totalled 2,463,947 pounds. The total value of the crop was \$1,727,000, made up of \$585,000 for sugar and \$1,142,000 for syrup.

The Animal Husbandry Service devoted special efforts towards improving the health of cattle and live stock of all kinds, through the Veterinary Section, and to developing their most desirable qualities by means of lectures, demonstrations and competitions. Dairy production during the fiscal year ended June 30, 1932, was 25,907,681 pounds of cheese, valued at \$2,945,448; and 69,653,540 pounds of butter, valued at \$15,532,227. These figures represent a substantial falling-off from those of the previous year. It was, however, a good period for pig-breeding; 111,917, or an increase of 29,000, having been sold on the markets.

The situation of Horticulture left something to be desired, as can be seen from the report of the Service, in part, as follows: "Although there was this year a plethora of production our apple-growers and market-gardeners were generally able to sell their products at sufficiently remunerative prices. In fact, the average prices paid for apples and vegetables were proportionately better than last year. Unfortunately, in the cases of potatoes, canned products and tobacco, although we have no over-production, many of the other Provinces, in which the farmers were much more affected by the crisis than our own, were obliged to make forced sales of their products at any prices they could get, in order to meet their obligations. This explains why the potato-growers of the Maritime Provinces flooded our markets with quality potatoes sold at the ridiculous price of 15 cents per barrel of 165 pounds. As for our canned products, they were barely able to supply our domestic market with more than 45 per cent. of the quantities that it consumes."

The Council of Agriculture held its two regular meetings, on Dec. 14, 1931, and on Mar. 30, 1932. In all, 90 Agricultural Societies had 23,043 members who subscribed \$48,113; while 743 Agricultural Clubs had 41,123 members who subscribed \$46,841. The annual *Mérite Agricole* competition was held in the second region, which includes many of the Eastern Townships. There were 112 contestants; 23 of them were for the gold medal, a coveted decoration that was awarded to Frederic Poulin of St. Valentin, St. John's County. The annual celebration of the *Mérite Agricole*, at which prizes and decorations were distributed, was held at the Provincial Exhibition of Quebec on Sept. 10, 1931.

The estimated gross value of the agricultural production of the Province for the year 1932,* was as follows:—

Field Crops	\$70,382,000	Lands	\$328,025,000
Farm Animals	13,314,000	Buildings	257,918,000
Wool	332,000	Implements and Machinery....	97,270,000
Dairy Products	30,433,000	Live Stock	73,949,000
Fruits and Vegetables.....	4,777,000	Poultry	5,980,000
Poultry and Eggs.....	7,504,000	Animals on Fur Farms.....	1,413,000
Fur Farming	532,000		
Maple Products	1,727,000	Total.....	\$764,555,000
Tobacco	329,000	Agricultural Production	\$129,656,000
Clover and Grass Seed.....	110,000		
Honey	216,000		
Total.....	\$129,656,000	Total wealth	\$894,211,000

*NOTE.—For 1933 field crop statistics, see Section on Industries (Agriculture).

Department of Public Works. The Annual Report of this Department for the fiscal year ended June 30, 1932, signed by the Minister, Hon. J. N. Francoeur, was the first since the segregation of the Labour Department into a separate Portfolio. Total receipts from all sources were \$300,969, or less than half the figures for the previous year, which was \$683,488, while the expenses were \$3,450,899, a substantial increase over the 1930-31 total of \$3,012,082.

One of the chief activities of the Department, during the period under review, was again the administration of unemployment relief. For this purpose a total of \$30,437,882 was appropriated, of which \$20,601,885 was actually paid; the difference of \$9,835,997 was explained by the fact that certain municipalities did not spend the total sums authorized or had not at the time submitted their claims. Of the total paid out, \$5,514,613 was contributed by the Province; \$4,902,706 by the Dominion; and \$5,839,731 by individual municipalities.

The greater part of unemployment relief funds were distributed in work but about 20 per cent. was paid out directly for support. Under this heading \$5,318,837 was appropriated and \$4,344,834 actually expended, of which the Province contributed \$1,506,961, the Dominion, \$1,446,855 and individual municipalities, \$1,381,018.

With the funds above mentioned, 162,610 families, including 142,269 dependants, were given direct relief, and 32,862 single persons in addition. This relief took the form of 5,143,365 meals and 976,625 lodgings. Moreover, 255,876 men who worked a total of 26,601,264 hours were employed on special works.

Bridge building was proceeded with as usual, the number built during the year being 73, with 25 under construction at the end of the period, whose total length was 13,870 feet and the estimated cost, \$6,144,904. The most important of these was that destined to connect the Island of Orleans with the North Shore of the St. Lawrence. Maintenance work was done on 188 bridges. With regard to public buildings, because of the economic situation, work was limited to the most necessary maintenance.

Ernest Lavigne, Provincial Fire Commissioner, showed that \$198,750 was paid in grants to 57 municipalities that had installed or improved protective systems; while 23 other municipalities that had maintained the efficiency of their initial installation, received special premiums of \$50 each. Fires to a total number of 21,111 were reported with a total loss of \$12,085,135, of which only \$7,693,226 was covered by insurance. Persons losing their lives in these outbreaks numbered 51 and 216 other persons received injuries.

Department of Labour. The Act providing for the separation of this Department from that of Public Works, under a Minister of its own, was sanctioned on Mar. 11, 1931, and came into force on Oct. 22, of the same year. A few days later (Oct. 28), this new portfolio was assumed by Hon. C. J. Arcand and on Nov. 12 Gerard Tremblay was appointed Deputy Minister. In the first Annual Report of his Department, the new Deputy Minister stated that the inspection of industrial establishments was very active in the districts of Quebec, Montreal and the Eastern Townships. In all, 1,308 inspections were made in the Montreal District, 755 in Quebec and 132 in the Eastern Townships. A great reduction in personnel, due to the continued depression, was noted and the inspectors were astonished that there should be a general demand from industries operating under the 55-hour law for supplementary working permits, an evident abuse, under existing conditions. There were a total of 893 accidents reported during the period from July 1, 1931, to June 30, 1932: 50, fatal; 27, serious; and 816, light. Public buildings in the Province, to the number of 539, were inspected and many improvements suggested, as for instance, the installation of fire escapes in 30 of them. In the course of the year there were 68,445 applications for

employment and 17,414 positions were found. The receipts of the Department totalled \$212,896 and its expenses were \$445,755, leaving a deficit of \$232,858.54.

Department of Roads. In the Report of Hon. J. E. Perrault, Minister of Roads, for the year 1932, it was shown that, as a consequence of the falling-off in the revenues of the Province, there was necessarily a certain relaxation of the Department's highway programme. In spite of this, however, the year was far from being an inactive one. Notwithstanding a reduced budget and a great deal of damage during the Summer, due to unfavourable weather conditions, the whole Provincial system of 14,634 miles of improved roads was kept in good condition throughout the season. Bridges of considerable span on various highways, to the number of 181, were re-constructed or repaired. On highways already improved, 78 miles of permanent pavement were laid, and preliminary works completed on a length of 54 miles. In addition, 80 miles of main highways were improved and 129 miles of municipal roads. The length of Winter highways maintained for the use of automobiles was 361 miles. For the first time in fifteen years there was a falling-off in tourist travel, a natural consequence of the economic crisis. The total number of cars that entered the Province up to Nov. 1, 1932, was 637,326. In a number of municipalities, 1,893 trees of different varieties were planted as highway embellishments.

Bureau of Mines. The Report for the fiscal year ended June 30, 1932, of Hon. J. E. Perrault as Minister of Mines was divided into five parts; the first gave statistical information and treated the main features of the mining industry in the Province; while the four others contained the results of the geological field work and were accompanied by maps of particular regions of special interest to prospectors. Mineral production decreased from preceding years during the calendar year 1931, owing to restricted buying and lowered prices, the total value being \$35,778,364. In the first six months of 1932, metals showed a slight increase over the same period in the preceding year, with a value of \$6,612,948. The non-metals again fell off badly, however, their value being \$1,656,533, or a grand total of \$8,269,481. It is interesting to note that, after lying dormant for forty years, the working of the phosphate mines of the Buckingham region showed an unforeseen comeback. The selling price was fixed at \$10 per ton delivered at the mine and the 1932 production was some 2,000 tons. Prospecting for petroleum and natural gas continued without interruption on the south side of the St. Lawrence. The quantity and quality of building materials were still at a high level at the end of 1931, the annual production of the three years, 1930-1932, having been in the neighbourhood of \$18,000,000. This period of uninterrupted prosperity, notwithstanding the industrial crisis, unfortunately came to a sudden end in 1932 when production figures fell by one half. All material, with the exception of lime, was affected. The number of claims registered at Amos, Noranda and Quebec, respectively, totalled 8,108. Miner's certificates issued were 2,324; mining licences issued or renewed, 906; mining concessions granted, 4; and mining rights transferred, 425. The total revenue collected by the Bureau from various sources was \$302,351. In connection with Prospectors' classes held at a number of points, 184 lectures were given and the attendance was 4,474. The Chemical Laboratories at Montreal, Rouyn, Amos and Quebec received 2,126 samples and made 2,459 quantitative analyses, as well as 1,164 qualitative determinations. Tests of asbestos fibre numbered 707. In the course of the fiscal year ended June 30, 1932, the Bureau distributed the total sum of \$132,712.12 on the construction of mining roads in the counties of Abitibi, Temiscamingue, Champlain and Gaspé.

Municipal Affairs. The 1931-32 Report presented by Hon. L. A. Taschereau, the responsible Minister, possessed special importance by reason

of the account that it contained of the workings of the newly created Commission for the supervision and control of municipal and school corporations. This body consisted of Oscar Morin, K.C., Chairman, and L. Eugene Potvin, Commissioner. Emile Morin was appointed Secretary. The Department also had to see to the administration of the provisions of the Unemployed Assistance Act, with particular reference to the proper carrying out of the procedure required from the municipalities with regard to their share of the expenditure. Any municipality borrowing by by-law, under the provisions of the Act, was exempted from all the usual formalities, except that the approval of the Lieutenant-Governor-in-Council had to be obtained. Loans so contracted aggregated \$9,316,425; while ordinary municipal loans amounted to \$47,832,844; and school loans to \$3,091,560. There were 10 erections of municipalities, 3 village and 7 rural, and proclamation was made of 7 annexations for municipal purposes. The names of 5 municipalities were changed by proclamation and 2 vacancies in the office of Mayor and 7 in that of Councillor were filled. Authorization to publish official notices in French only was given to 11 municipalities; in English only, to 3 municipalities; and in both languages, to 1 municipality.

Social Insurance Commission. During the period under review this body submitted its third, fourth, fifth, sixth and seventh Reports. The third report was devoted to an exhaustive examination of the problem of Family Allowances, with an account of the systems pursued in a number of leading countries. The Commission, however, stated that it had "abandoned the idea of proposing the institution of family allowances in the Province of Quebec" as it was thought preferable to increase wages, rather than keep them at their present level for a long period: this, in addition to the objection that Quebec manufacturers might possibly be placed at a disadvantage in comparison with those of other Provinces. The fourth Report gave a similar treatment to the problem of Industrial Hygiene and recommended that it should be placed under the control of the Director of the Provincial Health Service, and that the security of Labour be placed under that of the Minister of Labour. Old Age Insurance was covered in the fifth Report. Majority recommendations signed by Edouard Montpetit, Chairman; Mgr. Georges Courchesne, Ven. Archdeacon Scott and J. T. Foster were in favour of a contributory and obligatory system, in preference to the existing system of charity and advised the Province to take the initiative in encouraging the other Provinces to make a joint request to the Federal Government in that sense; meanwhile, as a temporary measure, the Province should associate itself with the existing Federal law. Minority recommendations signed by Dr. Alphonse Lessard and Georges Savoy went further in advocating that if a contributory Federal insurance scheme could not be secured, the Province should organize one for its own people. Instead of adopting the Federal law meanwhile, these officials recommended that the Federal Government be invited to pay to the Province a grant equal to that which it would receive if it associated itself with the Federal law, this amount to be used for the benefit of the aged of Quebec. The sixth Report was devoted to Unemployment and Unemployment Insurance: the conclusions reached were that this problem was, above all, national and international, rather than provincial or local in character; that unemployment insurance, although legally of provincial jurisdiction, could not be efficiently organized except in a nation-wide manner; that a permanent National Committee should be formed to undertake joint action against unemployment; but that the Provincial Government should continue their present struggle along the lines which, in general, it was pursuing. The seventh Report which was also the final one, concerned itself with Sickness and Disability Insurance. Here the recommendation was for a gradual and cautious introduction of a voluntary system, the obligatory feature being introduced, if at all, after five years of working experience.

Quebec Liquor Commission. The Report for 1931-32 submitted by the Chairman, L. B. Cordeau, noted the serious effect of the depression upon the alcoholic liquor trade in the Province, which made it necessary for the Government to impose a slight tax on the consumer in the form of a stamp placed on every bottle of spirits. An increased Sales tax levied by the Federal Government also made it necessary to increase the price of liquor. On the other hand when the Federal Government reduced the Customs and Excise duties on British and Canadian spirits, following the Imperial Economic Conference, the consumer was given the full benefit of this relief. The sale of spirits again fell off, this time from 865,858.6 gallons in 1930-31 to 692,270.2 gallons. The sale of wines also showed a reduction from 1,351,183.2 gallons in 1930-31 to 1,131,737.8 gallons. Gross sales were \$17,979,782.74 and the net revenue therefrom was \$4,741,246. Total revenue from all sources was \$6,113,-899. There was either turned over to the Government or else expended on Capital Account, a total of \$8,569,275 or more than 40 per cent. of the total revenue. On Apr. 30, 1932, there were 114 stores; 86 of them in the Montreal District and the remaining 28 in the Quebec District. This meant that 3 new stores were opened in the latter case. There were 237 employees in the Montreal District and 80 in the Quebec District. The Commission paid to the Federal Government the sum of \$5,821,889, less reimbursements. Orders issued represented a volume of 2,205,071 *litres* of wines valued at 19,040,929 *francs*, and of 446,948 *litres* of spirits valued at 6,853,052 *francs*. In the Commission's Laboratory 3,463 samples were registered representing 8,206 reports of analyses which, valued at the ordinary commercial rate reached the sum of \$110,889. During the course of the year, 4,680 complaints were registered forming a total of 7,206 to be investigated; of these 5,187 were completed and 2,529 prosecutions laid. Seizure of 2,300 gallons of illicit alcohol and the number of blind pigs operating was said to have been reduced by 50 per cent. Total fines imposed amounted to \$92,929.

Workmen's Compensation Commission. The Fifth Annual Report of the Quebec Workmen's Compensation Commission, for the year 1932, noted that the number of accidents reported to it did not show any increase, while the payrolls reported were far below normal; all this as the result of the severe depression. Total accidents were 34,414; number of employers, 7,979; and benefits distributed, \$2,852,292.90. A number of claims dealt with were said to have had little or no merit and to have been even fraudulent in certain instances, being based on self-inflicted wounds. Every effort had been made to put a stop to these and conviction obtained in an exemplary case. The schedule had also been revised downward covering mutilations of fingers, with excellent effect. The doubts expressed in the previous Report as to the adequacy of the Ontario rates when applied to the Province of Quebec, were found to be only too much justified by experience; the provisional deficit of the Accident Fund, as at Dec. 31, 1932, amounting to \$829,179. It was necessary, therefore, to increase the existing rates to a level that would yield an additional annual revenue of approximately \$500,000. It was shown in the Report how essential was the need for a greater measure of co-operation both from employers and doctors if the existing scale of benefits under the Act was to be continued. The Commission believed that a very great number of claims had been certified as compensatable, where no real incapacity for work had existed. Compensation paid for accidents happening during the year amounted to \$692,066 and the pensions awarded for accidents in the year were capitalized at \$537,494. The total net income was \$2,193,124 and the total expenditures, \$3,010,731, leaving a deficit of \$817,607, to which should be added the 1931 deficit of \$11,572. The Commission issued 79,917 cheques during the year, or a daily average of 269. The total administration expenses, less the amount charged to the 1928 Act, superseded by that of 1931, were 8.49 per cent. of all benefits awarded.

The Province of Quebec

(As at June 30, 1933)

Lieutenant-Governor.....Hon. Henry George Carroll

The Taschereau Ministry (Liberal)

Prime Minister, Attorney-General, and Minister
of Municipal AffairsHon. Louis Alexandre Taschereau
Minister of Lands and Forests.....Hon. Honoré Mercier
Minister of Roads and Mines.....Hon. Joseph Edouard Perrault
Provincial SecretaryHon. Louis Athanase David
Minister of Colonization, Game and Fisheries.....Hon. Hector LaFerté
Minister of Public WorksHon. Joseph Napoléon Francoeur
Minister of AgricultureHon. Adelard Godbout
Minister of LabourHon. Charles Joseph Arcand
Provincial TreasurerHon. Ralph Frederick Stockwell
Minister without Portfolio and Leader of the
Legislative CouncilHon. George Bryson
Minister without Portfolio.....Hon. Emile Moreau
Minister without Portfolio.....Hon. Lauréat Lapierre
Minister without Portfolio.....Hon. Joseph Henry Dillon

Speaker, Legislative AssemblyHon. Telephore Damien Bouchard
Speaker, Legislative CouncilHon. Jacob Nicol

Heads of the Administrative Services

Clerk of the Executive CouncilAlfred Morisset
Clerk of the Legislative CouncilR. A. Benoit
Clerk of the Legislative AssemblyL. P. Geoffrion
Deputy Attorney-GeneralCharles Lanctot, K.C.
Deputy Provincial SecretaryA. Desmeules
Assistant Provincial Treasurer.....A. P. B. Williams
Provincial AuditorEdgar Vezina
Provincial ArchivistPierre Georges Roy
Deputy Minister of Lands and Forests.....F. X. Lemieux
Deputy Minister of Colonization and Fisheries.....L. Arthur Richard
Deputy Minister of AgricultureJ. Antonio Grenier
Deputy Minister of RoadsJoseph L. Boulanger
Deputy Minister of Public WorksIvan E. Vallée
Deputy Minister of Municipal AffairsOscar Morin
Deputy Minister of LabourGerard Tremblay
Director of Public HealthAlphonse Lessard, M.D.
Director of MinesA. O. Dufresne
Superintendent of Education.....Cyrille F. Delâge
Secretaries of the Department of Education.....Lionel Bergeron and Dr. Walter Percival

THE PROVINCE OF NOVA SCOTIA

Provincial Problems; and Political Affairs during 1932-33

Notwithstanding the action of the Dominion Government in May, 1932, in the granting of subventions to assist the coal-mining industry of Nova Scotia (see *The Canadian Annual Review*, 1932, pp. 31 and 193) and the placing of 154 miners' families on farms, the subsequent months of that year and the early part of 1933 still saw distress from unemployment in the mining centres of the Province. Based on the needs of the two great Canadian railways and of certain industrial plants, it had been expected that the result of the new measures would mean an additional sale of one million tons of Nova Scotia coal. Speaking in the Legislature during the 1933 Session the Provincial Prime Minister, Hon. Gordon S. Harrington, in answer to Opposition (Liberal) criticism, explained that the Dominion Fuel Board had estimated 605,000 tons of railway coal, 500,000 tons of industrial coal and 150,000 tons to be used by the coking plant at Montreal, but that outside of the 150,000 tons used by the La Salle plant very little of the estimated amount had been actually taken up. The railways had used only 90,000 tons and only 120,000 tons had gone into the industrial centres. (*The Halifax Herald*, Mar. 24, 1933). Later, during the Session (Apr. 4) a statement was made by the Provincial Minister of Highways (Hon. Percy C. Black) upon his return from Ottawa after heading a delegation of Nova Scotia business men, churchmen and others from Cape Breton, and municipal representatives, who sought from the Dominion Government a rail order and action on behalf of the lumber industry. Mr. Black announced that he had received assurance that the future coal requirements of the Canadian National Railways, east of Toronto, would be supplied by Nova Scotia; also that Dominion subventions on coal for the central Canada market would be increased from the existing maximum of \$2 to \$2.50 per ton. Late in May, after the close of the Session, Mr. Harrington, in a statement to the Press, told of the approval given by the Dominion Government for an order for 50,000 tons of steel rail for the Sydney plant. It was understood that this would provide 200,000 man days' work and ensure the operation of the plant for the balance of the year; also that the rail order would require the consumption of approximately 125,000 tons of coal which would provide over 70,000 man days work at the mines. Previously it had been announced that, following representations made by the Provincial Government, British coal coming up the St. Lawrence would be subject to the dumping duties unless it were sold at the British price. This was intended to give further protection to Nova Scotia coal. (*The Halifax Herald*, May 18, 1933).

Efforts by the Harrington Government to stimulate other industries of the Province included the calling in consultation, in December, 1932, of the Executive of the Nova Scotia Lumbermen's Association; the sending, early in 1933, of the Provincial Chief Forester to England to study all possible trade channels for Nova Scotia lumber; and the putting through of several measures during the 1933 Session of the Legislature to assist the agricultural industry, the mining industry and the debt-burdened people of the Province.

That the credit of the Province was still being maintained during this period of economic stress was fully evidenced by the successful floating of a loan by the Government in October (1932); the issue was made up of two-year, four and a half per cent. notes at a price of \$99.50. Again in May, 1933, a public offering of \$2,800,000 was announced, four and a half per cent. debentures to mature May 15, 1943, with principal and interest payable in Canadian funds.

December, 1932, witnessed the final meetings of the Royal Commission of Inquiry into Provincial Jails and the creation of the Department of Labour, provision having been made for the latter by legislation during the 1932 Session of the Legislature. Mr. Harrington added to his other duties that of the first Minister of the new Department; Charles J. MacDonald, Glace Bay, for thirty years actively associated with the Brotherhood of Railroad Trainmen, was appointed Secretary of Labour.

Politically, affairs in the Province were shaping toward a General Election. On July 27, 1932, before the Annual Liberal Convention of September, Angus L. Macdonald, Provincial Liberal Leader, was nominated for candidate for Halifax South. In a speech at the time, he declared that the Harrington Government had struck two blows at the Liberals of Nova Scotia, in the form of the Redistribution Bill and the Franchise Act. He pledged that the Liberal Party, if returned to power, would practise economy in administration in order to reduce taxation and produce a balanced budget. Old age pensions and the preparation of Nova Scotia's case showing the ill effect of high tariffs in the Province for presentation to the Dominion Government, were also items on the Liberal platform. By June, 1933, 14 Liberals had been nominated, nearly half the number of representatives under the Redistribution Act of the 1932 Session of the Legislature, which had reduced the number from 40 to 30.

The Prime Minister (Mr. Harrington), who was unanimously nominated on May 30 as Conservative candidate for Cape Breton South, announced on July 12, 1933, that the date of the General Election would be Aug. 22. The progressive policy of the Government was the appeal presented by the Prime Minister on the occasion of his nomination and at various other nominating Conservative Conventions held throughout the Province. Their record of social legislation: the establishment of a Minimum Wage for women, the inauguration of new Health and Labour Departments, the setting up of a market board for the benefit of the primary products of the

Province, a revised Motor Vehicle Act, a moratorium on mortgages and their efforts to stimulate the coal industry of Nova Scotia, were all placed before the electors before the day of polling. (See last page of this Section for final results.)

The Royal Commission Concerning Jails. Twelve months after their appointment in December, 1931, five Commissioners, headed by Alexander J. Campbell, K.C., to inquire into the jail system of Nova Scotia, completed their investigation. In their Report, presented early in 1933, they recommended drastic changes in the prison system. Stress was laid on the condition, unfit for human habitation, of the existing accommodation. The principal recommendations were: that legislation be enacted to provide for the establishment and government of a Central Prison on a site of not less than 800 acres on undeveloped land, with an experienced prison farm construction superintendent, skilled in the use of inmate labour, in control; that the future policy of the Province be directed toward the ultimate abandonment of the existing county jail except for minor cases; that Dominion and Provincial legislation be sought in order to bring into effect an adequate system of indeterminate sentence, parole and probation of adult offenders; that every jail centre be inspected at least once a year; that changes be made in the system of punishment, the use of instalment payment of fines and adult probation; that the Courts avoid committing women to penal institutions occupied by males; that juvenile courts be established in the Province and that juvenile reformatories be given more efficient administration and re-equipment; and that prisoners' welfare organizations take a more active part in the supervision of prisoners upon release for the prevention of recidivism. Other suggestions dealt with revision of criminal statistics, administration of vagrancy law, the trial of prisoners and the execution of the sentence of death.

The 1933 Session of the Legislature

The Fifth and final Session of the Thirty-ninth General Assembly of Nova Scotia was opened on Mar. 21, 1933, and was prorogued on May 17, dissolution taking place two months later. It was the third Session with Hon. G. S. Harrington as Leader of the Government, his acceptance of the office having taken place in 1930 upon the resignation of Hon. E. N. Rhodes to re-enter Dominion politics. The 1933 Session saw no change in the standing of the Parties from the previous Session: Government, 20; Opposition, 16, and 4 vacancies. A. Sterling MacMillan was House Leader of the Opposition pending the election of Angus L. Macdonald, head of the Provincial Liberal Party, to the Legislature.

The Lieutenant-Governor, Hon. W. H. Covert, K.C., in the Speech from the Throne, drew the attention of the House to the operation during the year of the several measures passed at the previous Session in the interests of Provincial unemployment relief; to the industrial situation and to the efforts made by the Government, both by representation to the Imperial Economic Conference of 1932 and by subsequent action, with a view to stimulating Provincial trade. It was pointed out that restricted highways construction had been carried out; that efforts had been made and would continue to be made to increase the volume of the tourist industry; and that the revised Motor Vehicle Act was proving satisfactory. Hope was

expressed in the Speech that the inauguration of a system of Old Age Pensions would be possible when increased revenues were available.

H. T. MacKenzie and R. A. Douglas moved and seconded, respectively, that an Address-in-Reply to the Speech from the Throne be presented. In a critical survey of the Administration the House Leader of the Opposition (A. S. MacMillan) opened the Debate on the same day (Mar. 21). It was continued until Apr. 6, when the Address was adopted on division without a recorded vote. The speech of the Prime Minister (Mr. Harrington), who had only recently recovered from a grave illness, was a review of the policies of the Government. He pointed out that these had guided the Province through a critical period of her history; and he called for the support of the whole Legislature in the Administration's efforts to further the welfare of the people.

Public Accounts; the 1933 Budget. The Public Accounts of Nova Scotia for the year ended Sept. 30, 1932, were tabled in the Legislature on Apr. 4, 1933, by the Provincial Treasurer (Hon. J. F. Fraser). Provincial Revenues were shown as \$8,100,988 and Expenditures, \$7,858,239, with a Revenue Surplus of \$242,749. After charging total Sinking Fund Instalments, including Highways Funds paid during the fiscal year 1931-32 of \$405,853, a Deficit of \$163,104 was shown. Revenue Account was approximately \$580,000 less than anticipated and Expenditure, \$430,000 below the estimated figure. An unusual expense incurred during the fiscal year 1931-32 was an item of exchange on interest coupons, payable in New York, of a net amount of \$127,000; this was after deducting the benefit received on sterling and also the portion of the exchange paid by the Nova Scotia Power Commission.

Commenting upon the Statement some weeks earlier, the Provincial Treasurer had said: "In view of conditions existing during the year and the heavy demands upon public revenues through increased social services, such as Mother's Allowances, Public Health and Education, the Government feels assured that the Financial Statement will be considered by the public generally as a highly favourable one."

The total Funded Debt of the Province at the end (Sept. 30) of the fiscal year 1932 was \$61,740,747, an increase of \$1,415,133 during the year. Of this Debt, \$13,303,242 was money borrowed and lent to the Nova Scotia Power Commission which paid its own interest, Sinking Fund, etc. This left a Funded Debt of \$48,437,505 chargeable direct to the Province. The Net Debt, as at Sept. 30, 1932, totalled \$40,762,468 increased by \$2,212,745 during the fiscal year 1931-32, the major portion of which was for Highways, Unemployment Relief, Fundings. The Provincial Treasurer stated that it was the intention of the Government during Recess to have a Committee of the Council make a thorough investigation into every Department of the Government administration, looking for suggestions which might bring about further economies.

Highlights of the 1933 Budget Speech delivered by Mr. Fraser (Provincial Treasurer) on Apr. 18, 1933, were: (1) no new taxation and a Revenue Surplus of \$12,645 before providing for Sinking Funds of \$396,549 when a Net Deficit of \$383,904 was shown; (2) a programme of public works and highways construction and extension of the work of the Farm Settlement Board; (3) reduction of salaries of all Provincial employees, amounting to an estimated total of \$60,000; (4) full maintenance of all Public Services; and (5) a forecast of an Old Age Pension system. Mr. Fraser estimated Total Ordinary Revenue for the fiscal year ended Sept. 30, 1933, at \$7,873,832 and Total Ordinary Expenditure at \$7,861,187.

Supplementary Estimates increased the Total Ordinary Expenditures to \$7,941,661, resulting in a Revenue Deficit of \$67,830 before charging Sinking Funds of \$396,549, which brought the Estimated Deficit to \$464,379.

The Budget Debate, which was a short one, was concluded on Apr. 26 when the Motion that the House resolve itself into Committee of Supply was passed. The principal speakers were the House Leader of the Liberal Opposition and the Prime Minister. Mr. MacMillan spoke on Apr. 21 and 23. He acknowledged that the Province was in a sound financial condition but he declared that money had been borrowed to pay the Government deficits. He criticized the excessive cost of the Tusket Hydro development, particularly the payments made to land-owners in connection with the project. He accused the Conservative Administration of having manipulated the Franchise Act which officials of the Government "boast will be used to beat the Liberals". He explained that the Liberal policy was to reduce the strength of the R.C.M.P. in Nova Scotia 70 per cent. He criticized the failure of the Government to assume the risk of the exchange in connection with lumber exports.

Mr. Harrington (Prime Minister) spoke on the 25th. Referring to the financial situation he pointed out that Nova Scotia could not be prosperous while the rest of the world was depressed; that the *per capita* debt of the Province was not out of proportion; that in the \$4 *per capita* class with Nova Scotia were also Manitoba and Saskatchewan; that Alberta's *per capita* debt was \$7.57 and British Columbia's, \$12.50; Quebec's was lower (it had a different system; it did not go in for capital expenditure); Prince Edward Island did not parallel any other Province because its subsidy was so much larger in proportion; and Ontario, which had a large revenue, had one of \$3.20 as against Nova Scotia's \$4.26. He dealt with the Tusket development, stating that the original estimates had been \$826,000 with a 10 per cent. allowance for increased construction costs; that the costs "at present" were approximately \$1,200,000; that there was no attempt to hide the situation; that all material had been purchased by the Secretary of the Power Commission, regardless of politics, and that the work had been carried on under the direct supervision and control of the executive officers of the Commission. He reminded the House that when the Transcontinental Railway was built the estimate had been \$15,000,000 and the total cost was \$330,000,000. He expressed surprise at the statement of Mr. MacMillan that the Opposition, if elected, would reduce the R.C.M.P. in Nova Scotia 70 per cent. He did not believe that the people of the Province would countenance such action and he intimated that such Opposition policy indicated an alliance with forces "of reaction and destruction" for the purposes of obtaining votes.

Legislation and Incidents of 1933 Session. The closing ceremonies of the 1933 Session by His Honour the Lieutenant-Governor, Hon. W. H. Covert, k.c., took place on May 17. Of the many Public Bills passed several were directed toward the alleviation of the existing economic situation.

An Act for the Relief of Mortgagors and Purchasers provided a moratorium with regard to principal and interest on real estate mortgages in Nova Scotia made or executed prior to Apr. 1, 1933; it safeguarded the rights and properties of an individual who, owing to conditions, was unable to meet such obligations. Only by order of a judge, granted upon application, could proceedings be taken for the recovery of any part of the principal or interest secured by mortgage or payable as part of the purchase money of any land or any interest therein payable by the purchaser or mortgagor. One exception was, however, the placing of mortgages on properties for the purpose of guaranteeing the bonds and debentures of a corporation.

An Act to promote the Production, Marketing and Distribution of Natural Products established a Nova Scotia Marketing Board and further extended the powers vested in the Marketing Division of the Department of Agriculture. Its provisions were also made applicable to other natural products, such as lumber, fish, coal, gypsum, etc.

An Act to provide for the Manufacture, Distribution and Sale of Agricultural Limestone constituted an Agricultural Limestone Board for the pur-

pose of manufacturing, distributing and selling of agricultural limestone to the farmers of the Province. Limestone in 1933 was delivered to any station in Nova Scotia at a price of \$3.00 per ton in bulk. In 1932, the price was \$3.50 per ton, and previous to 1932, \$4.00 per ton.

An Act for the Protection of Milk and Cream Producers in Nova Scotia provided that under certain conditions, any person or company engaged in buying milk or cream from producers should be required to be licensed and bonded. For several years, considerable amounts had been lost by the milk producers of the Province, by selling to irresponsible firms or individuals, dealing in milk and cream in the City of Halifax. The Act was passed for the purpose of ensuring that the producers would be paid for their milk, which might be shipped to Halifax, or other centres in Nova Scotia.

The N.S. Land Settlement Act broadened the scope of the Miners' Settlement Act of 1932 to include unemployed of other industries who were made eligible for participation in the benefits of the Act; it further extended the provisions of the Act to young men between the ages of 21 and 40, who had had farm experience or had been members of a Farm Club, allowing Provincial aid in the purchase of a farm, the amount of the loan being limited to \$3,000 in any case.

Gold mining legislation had in view the promoting of the industry in Nova Scotia; it provided assistance in modernizing mine equipment; made available power on the most economical basis; offered inducements to outside capital; removed impediments to developing areas by abolishing "dog-in-the-manger" leases; provided for the protection of prospectors; enabled the establishment of an advisory board to assist the industry and made provision for enlarging mining claims.

Under the Nova Scotia Labour Act it would be, in future, an offence for employers of more than 25 men to hire outside labour in preference to Provincial workmen—special provision being made under the new Act, for technical workers of one year's residence.

Two Acts concerned the prison system in the Province and were the outcome of the Royal Commission of Inquiry concerning Jails. One measure provided for the transferring of a prisoner from any common jail, city prison or lock-up to any other similar building in any part of Nova Scotia for the unexpired portion of his term of imprisonment. The other Act made possible the erection of a Reformatory in the form of a prison farm.

Public Health Amendments included new regulations for the burial of persons dying of certain diseases; and called for the approval by the Government of hospital construction.

Several Resolutions received the approval of the Legislature during the 1933 Session. One, on Mar. 27, introduced by A. S. MacMillan (Liberal House Leader), protesting against the non-inclusion of lumber and wood products and apples in the provision of the Dominion Government for the stabilization of the exchange rate of the pound sterling, was amended, before it was passed by the Legislature, by the Prime Minister (Mr. Harrington), to the effect that the Nova Scotia House approved the extension of the Dominion provision for the stabilization of exchange to the primary products of Nova Scotia "depending in whole or in part upon export markets." A Motion by W. McL. Robertson (Lib., Shelburne) favouring reciprocity in natural products between Canada and the United States, after precipitating a Debate was finally passed (Apr. 18) with an Amendment by the Prime Minister to include the stipulation "where such agreement will not conflict with the Agreements made at the Imperial Economic Conference at Ottawa, 1932, and is fair and reasonable to the producers of Nova Scotia." A Resolution of Hon. Joseph MacDonald (Minister without Portfolio) introduced on Apr. 19, called upon the Nova Scotia House to memorialize the Federal Government to make provision for the establishment of plants for the utilization of dog-fish, either by payment of a bounty for the direct benefit of the fishermen or by extending assistance by way of subsidy to those operating such fertilizer plants. A Resolution (May 11) of the Prime Minister, which

was unanimously approved by the House, was that a Nova Scotia Branch of the Empire Parliamentary Association should be formed, and that, in accordance with the practice "in other Parliaments" the President should be the Speaker of the House, and the Vice-Presidents, the Prime Minister and the Leader of the Opposition. The Resolution also named the Executive Committee and the Secretary.

An incident of the last day of the Session, a few minutes before the arrival of His Honour for the closing ceremony, was the request of Mr. MacMillan, House Leader of the Opposition, that he be given an opportunity to present a Resolution he had had on the Order Paper for four weeks suggesting Amendments to the Franchise Act which, he claimed, would guarantee equal advantages to both factions in the Provincial General Election which was to take place within a few months. Finally, when it was apparent that the time available did not permit of its consideration, Mr. MacMillan asked that the Government make the suggested changes by Order-in-Council.

The Report of the Public Accounts Committee, presented by the Chairman, G. C. Nowlan, just before prorogation, commended the work of the Liquor and Power Commission. It had been, it was stated, unanimously adopted by the Committee after all invoices and vouchers, called for by the Opposition, had been examined and after a number of witnesses had been heard. With regard to the management of the Tusket development against which the main Opposition criticism had been levelled, the Report stated that allegations made against it had been proved to be unfounded: its finances had been satisfactorily explained and no political interference could be traced in any of its dealings. Upon submission of the Report protest was made by the Opposition that, on account of the lateness of its presentation, no opportunity was given for its discussion. Later, outside the Session, the Chairman, in a statement to *The Halifax Herald* (May 20) refuted alleged remarks of *The Halifax Chronicle* that he had attempted to have the business of the Committee transacted "behind the backs of the Opposition Members". Mr. Nowlan declared that, on the contrary, he had made unsuccessful attempts "to have the Opposition Members of the Committee present at the final sitting of that body when the Report was considered and passed upon." He also explained that due to the fact that the Committee had supplied every bit of information required by Opposition Members, it had not been possible to file the Report until the last day of the Session.

Hon. G. H. Murphy, Minister of Health, announced on Apr. 3, that in a few weeks' time a Cancer Clinic would be operating in Halifax.

Reports of Departments: Agriculture

According to the Report of the Department of Agriculture for the year ended Sept. 30, 1932, the open weather, combined with moderately low temperature conditions, which prevailed for the most part in Nova Scotia during the Winter of 1931-32, had a rather detrimental effect on the newly-seeded fields. Pasture conditions during the early part of the year were exceptionally good and the Province experienced one of the best yields in grain on record. Severe storms during 1932 seriously affected the fruit-growing districts, the total loss in the Valley being estimated at over \$1,000,000. The production of both dairy products and eggs was favourable in spite of prevailing low prices. A dairy project had been mapped out during the year, as a result of intensive study, the purpose of which was to consolidate dairy work in the Province, making the most effective use of all factors affecting economical production. Other items covered in the Report were: a 54 per cent. decrease in the estimated apple crop at the end of September, 1932, (767,300 bbl.) from the commercial crop of 1931 (1,427,492 bbl.); the favourable decisions made by the Imperial Economic Conference with respect to the fruit industry; the organization of four new agricultural societies, bringing the total number reported for 1932 to 189; and the increase in the number of settlers who purchased farms during 1932, compared with the number of the previous year, and a corresponding increase in the amount of capital (\$86,550) brought into the Province.

Live stock statistics (preliminary) for 1932 were: horses, 42,640; cattle, 287,740; sheep, 155,650; and swine, 53,370. Poultry during the same year numbered 1,239,530. The final estimate of the area and yield of the principal field crops for 1931 and 1932 was as follows:

Field Crops, 1931 and 1932*

	Acres	Acres	Yield per Acre 1931	Yield per Acre 1932	Total Yield 1931	Total Yield 1932
	1931	1932	Bush.	Bush.	Bush.	Bush.
Spring Wheat	2,927	3,300	17.1	21.6	50,000	71,000
Oats	83,743	85,100	34.7	35.4	2,906,000	3,013,000
Barley	7,672	7,900	28.8	29.0	221,000	229,000
Buckwheat	4,041	4,100	21.9	24.2	88,400	99,000
Mixed Grains	3,878	4,800	33.5	35.6	130,000	171,000
Potatoes	21,394	20,600	91.0	103.0	1,946,000	2,122,000
Turnips, etc.	8,795	9,500	255.0	271.0	2,242,000	2,575,000
Fodder Corn	532	500	9.70	8.75	5,200	4,400
Hay and Clover.....	375,287	400,200	1.77	1.80	664,000	720,000

In his address to the Annual Meeting of the United Fruit Companies of Nova Scotia on June 27, 1933, the President, F. W. Bishop, dwelt at some length upon the discouraging events over which the Company had had no control, and which had resulted in a very discouraging year in their apple marketing operations. This was particularly evident with regard to the English market, where, in contrast with the general success of the previous season, the demand had been lessened, and future trade prejudiced, owing to the unsatisfactory quality of the year's fruit crop. Mr. Bishop declared that, aside from the question of growing conditions, the solution of the marketing problems in England lay in the improvement of handling methods, transportation facilities and storage conditions. The Annual Report discussed in detail the unfortunate weather conditions which had affected the fruit crop and referred to the Treaty made by the Canadian Government with Germany which placed Canadian apples on an equality with United States apples entering Germany with respect to duties. With regard to the potato industry, it was stated that sales had not materialized in the small British Islands, where in previous years a portion of the crop had been handled, and that unless there was a lowering of the duties on the potatoes entering the Cuban markets, very little hope could be held out for the potato industry in the Province. F. W. Bishop, Paradise, was re-elected President and H. O. Bishop, Kentville, Secretary and General Manager.

The Report of W. J. Bird, Provincial Dairy Superintendent, submitted to the Annual Meeting of the Dairymen's Association of Nova Scotia on Jan. 18-19, 1933, reviewed the condition of the dairy industry in the Province, stressing in particular the difficulty of manufacturing and marketing dairy products at low costs owing to the lack of volume. This was due primarily to the extremely large acreage of unproductive occupied land and the consequent expenditure of much-needed moneys on large amounts of imported dairy products. The Report stated that the established creameries of the Province were capable of manufacturing and marketing double the output of butter that they were then producing and that the objective should be to make an average of not less than 300,000 lb. of butter in each creamery. The creamery butter production for 1932 was the largest ever recorded, showing an increase of 1.2 per cent. over that of 1931 which had itself increased 24.8 per cent. compared to the 1930 production. In conclusion, the Superintendent urged the imperative need of cultivating the soil to produce home-grown feeds, as the basis for an economical increase in dairy production. Resolutions were passed by the Association members recommending that an effort be made to eliminate the overlapping of cream trucking routes; approving and requesting the continuation of the re-testing of cream samples in cream-

*NOTE—For 1933 field crop statistics, see Section on Industries (Agriculture).

eries as carried on by the Department of Agriculture; and urging the managers of the Creameries to take steps to eliminate cream unsuitable for the manufacture of first quality butter. The President elected for 1933 was J. Howard MacKichan, Cleveland, and the Secretary-Treasurer, W. J. Bird, Truro.

Lands and Forests. According to the Report of the Department of Lands and Forests for the year ended Sept. 30, 1932, forest fires occurring during the period numbered 335, of which 304 were stopped before doing much damage. Total area burned was 13,269 acres. Children playing with fire were responsible for the burning of 29 per cent. of the total area. Carelessness of fishermen and incendiarism were the other chief causes. The cost of fighting forest fires for the year amounted to \$12,698 (not including salaries to Forest Rangers) and the estimated damage amounted to \$54,091. A Fire Tax of \$25,216 was collected.

The forest industry, one of the most important in the Province, declined very seriously in 1931. A comparison of the figures for the fiscal year ended Sept. 30, 1931, with those for the calendar year 1931 (statistics for the latter period were compiled in co-operation with the Dominion Bureau of Statistics at Ottawa) showed a decrease in total forest production of 29.9 per cent. Lumber production amounted to only 99,322,000 f.b.m. compared with 166,037,463 f.b.m. in the financial year 1931 and 224,438,643 f.b.m. in 1930. Pulpwood cut for export decreased from 169,776 cords to 117,231 cords. Production of mining timber showed a reduction of 68.8 per cent. from that of the previous year, falling from 29,040,000 f.b.m. to 9,053,088 f.b.m., while the number of softwood ties produced decreased from 113,369 to 29,547 and the number of hardwood ties from 96,127 to 63,092. There was, however, an increase of 34.9 per cent. in the production of staves and heading in the calendar year 1931 and of 49.9 per cent. in the production of boxes and crates.

Fisheries statistics of the Province, as contained in the Advance Report issued by the Dominion Bureau of Statistics covering the year 1932, gave the total value of production as \$6,557,943, compared with \$7,986,711 in 1931, the decrease being due chiefly to the lower prices prevailing. The lobster fishery, first in importance, had a production value of \$2,711,371; the cod fishery, second, with a value of \$1,282,082, and haddock, third, with a value of \$1,086,343. The total catch of fish of all kinds in 1932 was 1,957,188 cwt., with a value to the fishermen of \$3,856,455, compared with a catch of 2,117,177 cwt., with a value of \$4,833,900 in 1931. The capital investment of the fisheries during the period under review was \$9,236,204, as against \$10,232,805 the previous year, while the establishments in operation numbered 190, a decrease of 17. There were 20,095 employees in 1932, of whom 16,258 were fishermen and 3,837 employees of fish canning and curing establishments.

Mines. The Annual Report on the Mines of Nova Scotia for the fiscal year ended Sept. 30, 1932, (Hon. Gordon S. Harrington, Minister of Public Works and Mines) showed the total average number of men employed at the coal mines to be 12,711 as compared with 13,055 the previous year. Other statistics were: number of man days worked, 2,063,955, as compared with 2,568,048 in 1931; coal output, 3,775,879 tons of 2,240 lb., as compared with 4,745,005 tons; coal sales, 3,359,279 tons, a decrease of 956,150 tons; coke manufactured, 86,797 tons, a decrease of 136,888 tons; tar manufactured from coal, 1,462,090 imperial gallons, as against 3,815,686 gallons; and gold produced, 941 oz., an increase of 366 oz.. This gold recovery, though slight, reflected, the Report stated, the renewed interest in the gold fields and the progress made in the testing of new developments during the year. The production of salt also showed an increase over 1931, being 29,082 tons, as against 25,951 tons. Fatal accidents at the coal mines numbered 13 in 1932, compared with 28 in the previous year.

Highways; Motor Vehicles. The policy followed by the Department of Highways during the calendar year 1932, as stated in the Annual

Report of the Department covering that period by the Minister, Hon. Percy C. Black, was to carry out highway work in such a way as to provide the maximum of employment consistent with the needs of the travelling public. During the year 122 miles of highways were graded and 344 miles were surfaced, making the status of the highways in the Province at Dec. 31, 1932, as follows:

Class of Highways	Miles Graded and Surfaced	Miles Graded only	Miles not Improved	Total
Trunk Highways	1,464.81	64.80	71.51	1,601.12
County Highways	2,059.70	754.55	266.40	3,080.65
Local Highways	1,019.95	2,816.99	6,216.10	10,053.04
Totals.....	4,544.46	3,636.34	6,554.01	14,734.81

The classification of highway mileage in accordance with various types of surfacing was given as: bituminous macadam, 18.25; waterbound macadam, 30.23; crushed stone, 30.80; screened or crushed gravel, 4,465.18; graded but not surfaced, 3,636.34; not improved, 6,554.01; total, 14,734.81 miles. Actual expenditure on Maintenance Account for the year was \$1,719,748. A total of 221,131 tourists entered the Province in 1932.

The Report of the Registrar of Motor Vehicles (C. St. C. Stayner) showed the total revenue of the Motor Vehicles Branch for the calendar year 1932 to be \$2,044,868, of which \$938,047 was derived from the Gasoline tax; \$748,049 from the registration of passenger cars and \$212,458 from that of commercial cars. Total expenditure amounted to \$76,642. Motor vehicle registrations were: passenger cars, 33,798; commercial cars, 6,671; motor cycles, 335; tractors, 209; total, 41,013, a decrease from the total registration of 1931 of 2,745. Total new cars registered in 1932 numbered 3,910.

Health. The Report of the Department of Public Health (Minister, Hon. George H. Murphy, M.D.) for the fiscal year ended Sept. 30, 1932, announced a substantial decline in all communicable diseases, with the exception of influenza and pneumonia. In 1931 there were 593 deaths attributed to cancer as compared with 558 in 1930; 508 deaths were due to tuberculosis, a decrease from 1930 of 40; 5 deaths, to measles; 23, to scarlet fever; 25, to diphtheria; 12, to typhoid; and 46, to whooping cough. The Tuberculosis Division reported progress in providing the number of beds sufficient for the successful carrying out of its control plan, and the addition of six specially trained nurses in the field work. According to the Report of the Vital Statistics Branch for the calendar year 1931, there were 11,615 births, 5,968 deaths and 3,394 marriages, which showed an increase of 269 births, a decrease of 238 deaths and 57 marriages as compared with 1930 statistics.

Admissions to the various humane institutions during the year ended Sept. 30, 1932, totalled 26,758.

Public Utilities; N. S. Power Commission. The Annual Report of the Board of Commissioners of Public Utilities (Commissioners: R. T. MacIlreith, Ira P. McNab and John S. Roper) for the calendar year 1932, stated that 366 Public Utilities had filed annual reports covering the twelve months ended Dec. 31, 1931. These corporations were classified as follows: Electrical: municipal, 29, and private, 29; Gas: private, 1; Telephone: mutual, 205, and private, 65; Tramway: private, 2; Water: municipal, 33, and private, 2. It was reported that the trend of rates in the field of electric service was, on the whole, continuing downwards, that there had been a larger use of electric equipment on the part of the householders of the Province during the year, but a falling off in demand and consumption of electric power. Applications were granted by the Board of the Brooklyn Light and Power Company, Limited, for an order approving the sale and transfer of their business and assets to the Avon River Power Company, Limited, and of the Barss Corner Electric Light Company Limited for an order authorizing the transfer of its lines, franchises, etc. to the Zwicker Electric Power Company Limited.

The Annual Report of the Nova Scotia Power Commission for the year ended Sept. 30, 1932, was submitted by the Commissioners: Hon. J. F. Fraser (Chairman) R. Millard and F. R. Little, M.D., C.M. The capital investment in the eight Hydro-Electric Systems operated by the Commission was \$13,626,740 as compared with \$13,236,551 for the previous year; reserves' accumulation, \$1,297,474 as compared with \$1,083,665; operations income, \$1,107,401 as compared with \$1,055,505. 148,480,170 kilowatt hours were delivered at an average cost of 0.742c. per kilowatt hour. The increase from the previous year's cost of 0.689c. per kilowatt hour was accounted for mainly by the extraordinary United States' exchange costs and by decreased deliveries due either to lessened industrial power taking, or to the decreased water supply available. The Commission authorized eleven Work Orders during the year, of which the estimated cost was \$69,125. The Report stated that under the domestic classification there had been, on the whole, increased taking of energy, while in the Commercial and Industrial Power classifications, the tendency had been downward, though not to any serious extent.

Workmen's Compensation; Mothers' Allowances. According to the Annual Report of the Workmen's Compensation Board for the year ended Dec. 31, 1932, the total number of accidents of all kinds during that period was 5,312 as against 6,849 in 1931, a decrease of 1,537. The total estimated cost was approximately \$944,000, exclusive of administration expense and cost of safety associations. Income for the year, actual and estimated, amounted to \$797,391, and estimated expenditure to \$1,037,564, leaving a deficit for the year's operations of \$240,173. Deducting this deficit and \$15,000 for doubtful accounts from the \$493,615 surplus forwarded from previous years, there was a net surplus of \$238,442. The number of workmen injured and wholly disabled for seven days and upwards who were paid compensation, was 3,332.

The Third Annual Report of the Director administering the Mothers' Allowances Act showed the amounts expended for Allowances during the fiscal year ended Sept. 30, 1932, to be \$331,337; the cost of administration, \$16,825; numbers assisted, 1,101 families with 3,802 dependent children; and number of eligible applications made, 197.

Liquor Commission. The Third Report of the Nova Scotia Liquor Commission (W. B. Proctor, Chief Commissioner, and D. J. Buckley, Commissioner) for the year ended Sept. 30, 1932, showed a financial surplus for the year of \$492,701. There was a material decline in the consumption of alcoholic beverages during the period under review, the drop in sales amounting to \$1,191,123 or over 24 per cent. of the previous year's total. Beer sales declined 17.64 per cent., wine, 20.99 per cent, and spirits, 33.42 per cent. Total sales for the year amounted to \$3,767,109. Three new stores were opened, making a total of 45 in operation at the end of the period. Individual permits (resident) issued during the year numbered 16,687, and temporary individual permits (non-resident), 3,207. Payments to the Dominion Government for Customs duties, Excise duties, Malt duties, Gallonage and Sales tax amounted to \$740,206, or more than 50 per cent. in excess of the direct net financial return to the Province.

Education. The total expenditure on education for the year ended July 31, 1932, as stated in the Annual Report of the Superintendent of Education was \$4,292,215, an increase over the previous year of \$97,921. This total was divided as follows: government expenditure, \$1,073,641; local supply, \$2,697,691 and municipal fund, \$520,883. There were 1,763 organized school sections operating 3,265 schools, an increase of 34 over 1930-31 in the number of schools. The total enrolment in the public schools was 116,041, of which number 100,815 were in elementary grades and 15,226 in high school grades. Teachers employed numbered 3,542, an increase of 58; of these 2,474 were normal trained and 329 were university graduates. It was an-

nounced that the teacher-training course, previously given in conjunction with the university undergraduate course, would thenceforth be made a full-year's course to be taken after graduation in Arts or Science. The modern Curriculum of Studies being devised by a Committee appointed two years previously, was reported as nearing completion. Some prospective recommendations in an Interim Report were as follows: putting the line of cleavage between the elementary and secondary school at Grade VI instead of Grade VIII; giving a more important position to nature study, science and health education; and including music, art and handwork, together with civics and character-training. In conclusion the Report stated that while another major reform remained essential—the adoption of the enlarged unit of school administration—it would have to await a substantial increase in financial support.

Dalhousie University, Halifax, reported a total enrolment of 939 for the session 1932-33. Graduates and post-graduates receiving degrees at Convocation on May 16, 1933, numbered 197, and at the same ceremony the honorary degree of Doctor of Laws (LL.D.) was conferred upon Dougald Macgillivray, Halifax; Archibald McKellar MacMechan, PH.D., Halifax; and George Geddies Patterson, M.A., New Glasgow. The announcement was made in October, 1932, of the establishment of the Russell Professorship of Law, with Vincent C. MacDonald, LL.B., as the first incumbent, in honour of Benjamin Russell, a former Judge of the Supreme Court of Nova Scotia and one of the founders of Dalhousie Law School. During the session under review gifts to the value of \$170,265 were received by the University. Honour was brought to Dalhousie by the award in March, 1933, to one of her graduates, Miss Constance MacFarlane, M.A., of the scholarship of the Canadian Federation of University Women, amounting to \$1,250, for her work in marine biology.

The establishment of a Summer School for graduate students whereby teachers were enabled to qualify for the Master's degree by intensive work during four consecutive Summer sessions, was a noteworthy achievement of Acadia University during the year 1932-33. Students enrolled for that year numbered 469 and degrees conferred, 234. The honorary degree of Doctor of Divinity (D.D.) was conferred at the Annual Convocation (May 24, 1933) upon Rev. W. H. Dyas, Summerville, Mass.; Rev. R. E. Gullison, Bimlipatam, India; and Rev. Cornelius Unruh, Nalgonda, Deccan, India. That of Doctor of Civil Law (D.C.L.) was bestowed upon Hon. W. H. Dennis, Halifax; Robert MacDonald Lester, New York; and Allen Melbourne Wilson, Manchester, N.H.

An enrolment of 270 students during the 1932-33 session, on 43 of whom degrees were conferred at the end of the year, was reported by St. Francis Xavier University, Antigonish. Bequests amounting to \$26,748 were received during the year.

The Province of Nova Scotia

(As at July 13, 1933—Dissolution)

Lieutenant-Governor Hon. Walter H. Covert, K.C.

The Harrington Ministry (Conservative)

Prime Minister and Minister of Public Works and

Mines and Minister of Labour.....	Col., the Hon. Gordon S. Harrington, K.C.
Attorney-General and Minister of Lands and Forests...	Hon. John Doull, K.C.
Provincial Secretary-Treasurer	Hon. J. Frederick Fraser
Minister of Highways	Hon. Percy Chapman Black
Minister of Agriculture	Hon. O. P. Goucher
Minister of Public Health	Hon. George H. Murphy, M.D., C.M.
Minister without Portfolio	Hon. Albert Parsons
Minister without Portfolio	Hon. Joseph MacDonald, K.C.

Speaker of the House of Assembly..... (Vacant)

Heads of the Administrative Services

Deputy Provincial Secretary and Clerk of the Executive Council	Arthur S. Barnstead, B.A., LL.B.
Deputy Provincial Treasurer	Carl D. Dennis
Deputy Minister of Public Works and Mines	Norman McKenzie
Deputy Attorney-General	Frederick F. Mathers, K.C.
Superintendent of Education	Henry F. Munro, M.A., LL.D.
Deputy Minister of Agriculture	Col. Robert Innes
Deputy Minister of Public Health	T. Ives Byrne, M.D.
Director of Child Welfare	E. H. Blois
Secretary of Labour	Charles J. MacDonald

NOTE.—A General Election in Nova Scotia on Aug. 22, 1933, resulted in a Liberal victory. Five Members of the Executive Council were defeated. The Standing of the Parties as a result of the Election was: Liberals, 22; Conservatives, 8. (A Re-distribution Act of the 1932 Session reduced the Membership in the Legislature from 40 to 30). The Standing of the Parties at dissolution had been Conservatives, 20; Liberals, 16. The following lists give (1) the new Liberal Cabinet, headed by Hon. Angus Macdonald, and (2) the newly-elected Members of the Legislative Assembly with Party affiliations, votes polled and majorities:

The Macdonald Ministry (Liberal)

Prime Minister and Provincial Secretary	Hon. Angus Lewis Macdonald
Minister of Highways	Hon. Alexander Stirling MacMillan
Minister of Agriculture	Hon. John Alexander Macdonald
Attorney-General	Hon. Josiah H. MacQuarrie
Minister of Public Works and Mines and Minister of Labour	Hon. Michael Dwyer
Minister of Public Health	Hon. Frank Roy Davis, M.D., C.M.
Minister without Portfolio	Hon. Joseph Willie Comeau
Minister without Portfolio	Hon. Clarence Wentworth Anderson

The General Election of Aug. 22, 1933

Constituency	Politics	Member	Votes Polled	Majority
Annapolis	Lib.	John D. McKenzie	4,917	950
Antigonish	Lib.	John L. MacIsaac	2,951	469
Cape Breton S.	Con.	Gordon S. Harrington	4,757	107
Cape Breton C.	Lib.	Michael Dwyer	3,263	294
Cape Breton N.	Con.	Joseph MacDonald	4,448	118
Cape Breton E.	Lib.	Lauchlin D. Currie	3,655	23
Cape Breton W.	Con.	Weldon W. Patton	3,036	396
Cumberland	Lib.	John S. Smiley	9,540	298
Cumberland	Con.	Percy C. Black	9,406	164
Colchester	Con.	William A. Flemming	6,748	705
Colchester	Con.	George Y. Thomas	6,398	355
Digby	Lib.	J. Willie Comeau	5,372	1,669
Guysborough	Lib.	Clarence W. Anderson	4,437	1,029
Halifax S.	Lib.	Angus L. Macdonald	4,945	620
Halifax C.	Lib.	Guy Murray Logan	4,915	948
Halifax E.	Lib.	Geoffrey Stevens	6,273	678
Halifax W.	Lib.	George E. Hagen	4,804	847
Halifax N.	Lib.	Gordon B. Isnor	5,452	2,042
Hants	Lib.	A. Stirling MacMillan	5,328	725
Inverness	Lib.	Moses E. McGarry	5,626	764
Kings	Lib.	John A. McDonald	6,700	602
Lunenburg	Lib.	Gordon E. Romkey	8,799	1,750
Lunenburg	Lib.	Frank Roy Davis	8,369	1,320
Pictou	Lib.	Josiah H. MacQuarrie	10,887	2,026
Pictou	Lib.	Donald F. Fraser	10,377	1,516
Queens	Con.	Seth M. Bartling	2,880	103
Richmond	Lib.	George R. Deveau	3,000	397
Shelburne	Lib.	Henry R. L. Bill	3,252	752
Victoria	Con.	Frederick W. Baldwin	2,216	185
Yarmouth	Lib.	Lindsay C. Gardner	5,826	2,180

THE PROVINCE OF NEW BRUNSWICK

Provincial Affairs during 1932-33; a New Prime Minister

Action by the Provincial Government of New Brunswick during 1932-33 (July to June) was centred mainly upon the inauguration of measures for the relief of unemployment and the consideration of means to bring about an improvement in the industrial situation. The Land Settlement scheme, which had been announced in May, 1932, by the Dominion Government and in which New Brunswick joined in an effort to assist those of her unemployed who were agriculturally inclined, was launched; a Provincial Advisory Relief Committee—the outcome of the co-operative efforts of the Provincial Government and the municipalities—was set up toward the end of 1932; and during the Dominion-Provincial Conference at Ottawa in January, 1933, representatives of the Provincial Government presented, for consideration and co-operative action with the Dominion, further plans for the relief of the unemployed in New Brunswick.

The Provincial Prime Minister, Hon. Charles D. Richards, and his colleagues, who had been engaged for months upon a concentrated study of the five major industries of the Province, presented the results in the form of briefs to the Dominion Government for consideration at the Imperial Economic Conference in July, 1932. In connection with the brief on agriculture—a united effort of the three Maritime Provinces—New Brunswick representatives had conferred in Ottawa with both the Dominion Minister (Hon. Robert Weir) and the Minister of Agriculture for the United Kingdom (Sir John Gilmour). The brief on the lumber industry, of vital importance to New Brunswick's economic progress and involving eighty million acres of Crown Lands and extensive private lands, had occupied much time and thought, the advice of leading lumber operators in the Province having been sought. The Provincial Government asked of the Conference (1) an embargo against Russian lumber and (2), a *quota* and a 20 per cent. preference for Canadian lumber. General disappointment was felt by those interested in the industry when the Conference Agreements were made known. Mr. Richards, in a statement at the time (Aug. 23, 1932), declared that the 20 per cent. preference, which had been asked by all the Provinces interested, was generally recognized as the minimum required to enable Canadian lumber to meet Scandinavian competition and that it was the experience of timber dealers that the preference conceded—a continuation of the 10 per cent. existing rate—was quite inadequate, in view of prevailing conditions and the exchange situation, to permit Canadian lumber to be placed in the United Kingdom market. The actual value of the state-controlled dumping clause of the Agreement would depend, it was believed by those engaged in the industry, upon the effectiveness of the control.

In October, 1932, an announcement by the Provincial Government was to the effect that as a result of a conference between members of the Government and representative lumbermen, assistance to the industry would be given by a reduction in stumpage rates, the Government having received assurance that such a concession would assist materially in augmenting timber operations. The rate on sawn lumber, including soft woods and hard woods, was reduced 50 per cent. for one year, from \$2.00 to \$1.00 per thousand, and the stumpage rate on pulpwood, from \$2.70 to \$2.00.

From July 1, 1932, to June 30, 1933, Party politics, with the exception of the appointments of new Government and Liberal Leaders, did not enter the Provincial scene to any extent. At the Provincial Liberal Convention on Oct. 5, A. A. Dysart, k.c., (M.L.A. Kent Co.), Leader of the Opposition in the Legislature, was appointed Provincial Leader of the Liberal Party. Both Mr. Dysart and J. B. McNair, a barrister of Fredericton, were nominated but, upon its being found that the House Leader had received the majority of votes, a motion of Mr. McNair, that Mr. Dysart's election as Leader be unanimous, was carried. The office of Provincial Leader had been vacant since 1930. At the Liberal Convention of that year (Apr. 23) Mr. Dysart had refused acceptance of the office and Wendell P. Jones, k.c., of Woodstock, a former Solicitor-General of New Brunswick, who was appointed, resigned from the Leadership upon his defeat, two months later, in the Provincial General Election.

Rumours, current for many months that a change in the office of Prime Minister was pending, were confirmed after a caucus of Conservative Members on May 26, 1933, when it was announced that Hon. L. P. de W. Tilley, Minister of Lands and Mines, had been selected to succeed Hon. C. D. Richards. Though not officially stated until some days later (May 31), it was generally known that Mr. Richards had been appointed to the King's Bench Division of the Supreme Court of New Brunswick. Considerable interest was shown in this selection of a son of Sir Samuel Leonard Tilley, one of the "Fathers of Confederation", to head the Provincial Conservative Government. A Member of the Legislature since 1912 with the exception of four years, 1921-1925, Mr. Tilley had been President of the Executive Council without Portfolio in the Baxter Cabinet and upon the formation of the Richards Cabinet had become Minister of Lands and Mines.

On May 31, 1933, official announcements were made of Mr. Richards' resignation and of the personnel of the new Cabinet which was sworn in the following day. Only two other changes besides that of the Prime Minister were made: George H. I. Cockburn (M.L.A., St. Stephen) became Minister without Portfolio and President of the Executive Council. Hon. W. H. Harrison, who had held this office, accepted the Portfolio of Attorney-General, Mr. Tilley retaining that of Lands and Mines. Mr. Richards' appointment to the Bench took place on June 7; his predecessor, Hon. O. S. Crocket, had been elevated to the Bench of the Supreme Court of Canada.

Of general Maritime interest was the formation at Saint John on Sept. 23 of the first branch of the Maritime Confederation Rights League with E. A. Schofield as President. The objects of the League were numerous; the recognition of the fact that the Intercolonial Railway was pledged to New Brunswick and Nova Scotia in return for their assent to the Union; the re-establishment of the constitutional status of the Intercolonial Railway and its operations in accordance with the pact; the establishment of fair trading relations between the Provinces; adequate Dominion financial assistance to the fishing and agricultural industries and to immigration; the abolition of the principle of the Dominion Government's participation, directly or indirectly, in the financing, ownership or operation of industrial enterprises in foreign countries such as transportation facilities, coal mines, etc.; the abandonment of the St. Lawrence Waterway project; adjusted policies of Federal Customs and Excise so that Maritime industries would receive their share of benefits. Other items covered natural resources transfer compensation; abolition of legislation by Orders-in-Council; adherence to Section 145 of the Union contract; protection of Parliamentary and Government representation; maintenance of Imperial connection and the promotion of Imperial trade; the recognition of the right to such constitutional Amendments as would perpetuate the basic Federal principles of the Union. (*The Halifax Herald*, Oct. 1, 1932).

The picturesque celebration on May 18 (1933) of the 150th Anniversary of the landing of the Loyalists at Saint John was an event of Province-wide interest. The proceedings were under the auspices of the New Brunswick Loyalists Society whose President was Hon. H. H. McLean, Lieutenant-Governor of the Province. The Dominion Prime Minister, Rt. Hon. R. B. Bennett, Honorary President of the Society and a Loyalist of New Brunswick, played an important part in the proceedings, during which he was presented with the freedom of the City of Saint John.

**The 1933
Session
of the
Legislative
Assembly**

The proceedings of the Third Session of the Tenth Legislative Assembly of New Brunswick were opened on Feb. 23, 1933, by the Lieutenant-Governor, Major-General, the Honourable Hugh Have-lock McLean, K.C. Prorogation took place six weeks later on Apr. 6, no legislation of outstanding importance having been enacted, the 88 Bills passed being chiefly Amendments to existing Acts.

Briefly covering the Government's activities and the economic progress of the Province during the previous year, the Speech from the Throne stated that the New Brunswick Government had recently joined with the Provinces of Nova Scotia and Prince Edward Island in a reference to the Supreme Court of Canada, with a view to the retention for those Provinces of certain preferential rates under the Maritime Freight Rates Act.

J. H. A. L. Fairweather (Con., King's Co.) moved the Address-in-Reply to the Speech and R. A. McAllister (Con., Saint John) speaking in the House for the first time, seconded the Motion. The principal speakers in the Debate that followed were A. Allison Dysart, K.C., Leader of the Opposition, who spoke on Feb. 28; Hon. C. D. Richards, Provincial Prime Minister, and Hon. L. P. de W. Tilley, Minister of Lands and Mines. Mr. Tilley's address on Mar. 2, brought the Debate to a conclusion when the Motion to adopt the Address was carried without division.

Mr. Dysart, in a lengthy speech, dwelt on the detrimental effect of tariff barriers on Canadian industry. He claimed that each Provincial Administration should be a fighting force in their effort to formulate such a fiscal policy as would secure for their Province a fair deal. He stated that the lumber industry of New Brunswick would not have its problem solved by the question of "exchange", and that he saw little hope in the Imperial Economic Conference Agreements for New Brunswick dairy products. In promising the Government the support of the Opposition in any serious effort to curtail public expenditure, he suggested that no work of a permanent nature should be undertaken for the time being. As so many municipalities throughout the Province were unable to collect more than 50 per cent. of their taxes, further taxation, in his opinion, was not justified. The Prime Minister (Mr. Richards) in resuming the Debate, repeated his assurance, given to the Press some time before, that there would be no income tax legislation enacted during the 1933 sitting of the House. He took up the challenge of the Leader of the Opposition: that the efforts of the Government in presenting the Province's case for consideration at the Imperial Economic Conference (July, 1932) had been ineffectual. He described the care taken by himself and his Ministers in the preparation of briefs on the five leading questions of interest to the Province: agriculture, lumbering, fishing, mining and transportation; their consultations with leading industrialists and Ministers of other Maritime Governments; and their preliminary discussions at Ottawa with Dominion Ministers and United Kingdom delegates to the Imperial Economic Conference. He acknowledged disappointment at the result: the 20 per cent. preference sought on behalf of the lumber industry had not been obtained. He emphasized, however, the value of the undertaking by the United Kingdom to abrogate the favoured-nation treaty with Russia. Briefly, the Prime Minister referred to the changed policy adopted in connection with unemployment relief—from public works to direct relief. With regard to Government economy, Mr. Richards pointed out the inconsistency of the Opposition in their demand for economy and their arguments on behalf of expenditure for vocational education.

Mr. Tilley kept uppermost in his speech the condition of the lumbering industry and the work that he and his colleagues had done in its behalf: the stumpage rate had been lowered and a bonus of

fifty cents per thousand feet had been received from the Dominion Government in 1932; since then the stumpage rate had been reduced to one dollar and that on pulpwood to two dollars while the bonus from Ottawa had been discontinued. Answering the criticism of the Opposition Leader that the Government had removed the embargo prohibiting the export of pulpwood, cut on Crown Lands, outside the Province, he stated that the rate of stumpage charged had been fifty cents per cord, while those who operated on private lands paid nothing to the Province; that a crisis had developed making it necessary for the Government to take action, which proved of considerable help in the relief of unemployment. He confirmed the Prime Minister's statement as to the efforts of the Government in behalf of the Province's needs at the Imperial Economic Conference. He agreed that the United States was undoubtedly the natural market for New Brunswick lumber but pointed out that since 1932 the United States excise duty of \$3 added to the previous duty of \$1 per thousand feet was the explanation of the shutting-out of the Province from that country and the need, therefore, of the Province's looking to the United Kingdom where formerly, before the advent of low Russian prices, between 70 and 75 per cent. of New Brunswick lumber had gone. He reminded his hearers that if the Canadian dollar were on a parity with the British pound it would mean an additional \$4 per thousand in the price of lumber. He believed it would be to the advantage of the railways to reduce their freight rates to meet motor truck competition in the transportation of pulpwood. Speaking of colonization, he announced that there would be in the Estimates an item of \$10,000 for the purchase of seed to be distributed among those settlers (a total of 760 families) who had built homes for themselves in the forests during the previous three years. He stated that in his opinion it would be of assistance to the unemployment situation if preparations for a national park could be begun immediately.

Public Accounts; the Budget of 1933. Instead of the Estimated Revenue of \$6,789,456 for the fiscal year ended Oct. 31, 1932, the Provincial Secretary-Treasurer, Hon. Antoine J. Leger, stated (Mar. 9) that Actual Revenue was \$5,795,630—a noticeable falling-off in revenue had been with the automobile licences, \$203,182; gasoline taxes, \$221,261; Liquor Control Board, \$388,460 and Succession Duty, \$84,151. Expenditure was \$6,360,893; this was \$425,966 less than estimated. The Deficit on Revenue Account was \$374,589 and the abnormal Exchange on bonds and coupons payable in New York funds was \$190,674. The Bonded Debt of the Province at Oct. 31, 1932 was \$58,739,663; Treasury Notes were \$1,162,092 and Current Revenue Account, \$1,306,111. This total of \$61,207,866, less Assets of \$15,265,687, left a Net Debt of \$45,942,179—an increase in 1932 of \$1,741,343.

Mr. Leger, in presenting the Budget for 1933, stated that Ordinary Revenue, from sources "heretofore available", was estimated at \$5,632,689, or \$162,941 less than received in 1932 and therefore \$87,171 less than the Estimated Expenditure of \$5,719,860. He declared that it was impossible to balance the Budget without additional revenue. For three years large sums had been spent to provide work for the unemployed and for direct relief; the stumpage had been reduced to practically nothing to afford employment; and contributions in bonuses had been granted for clearing lands. All these expenditures, he said, had increased the Provincial debts for which the Gov-

ernment had to provide interest and sinking funds. Further, the Provincial Treasurer stated, the curtailment in business had prevented Provincial revenues from progressing in the same proportion as the expenditures. It was essential, Mr. Leger claimed, to meet the exigencies of the period and rather than impose further taxation it would be better to budget for a deficit; there was the hope, however, that, with economy in every Department the fiscal year might be closed with a small surplus. The Estimates showed, he said, that the Provincial money on deposit in the Dominion Treasury, was being transferred, to place it in Sinking Funds in order to maintain the very high percentage thereof.

The principal speakers in the Debate which followed were J. E. Michaud (Lib., Madawaska), financial critic for the Opposition; Hon. W. H. Harrison, K.C., President of the Executive Council and Minister without Portfolio; A. Allison Dysart, Leader of the Opposition, and Hon. D. A. Stewart, Minister of Public Works.

Mr. Michaud, (Mar. 9) after preliminary remarks on conditions in the northern part of the Province, attacked Government expenditures, comparing the existing financial situation of New Brunswick to that under the former Government (Liberal). He stated that the Opposition were willing to co-operate in an effort to meet the unemployment situation by providing work for every able-bodied man; favoured an intensive back-to-the-land campaign; and advocated payment of premiums for clearing land instead of direct relief allowances. The Liberal Opposition, he said, would give their approval to the co-operative marketing of products of the farm, forest, mines and sea and to the reorganization of the educational system so as to train boys and girls for the farm. He stated that the Opposition would demand from the rest of Canada full recognition of the Province as a unit of Confederation,—“complete compliance with the terms on which New Brunswick entered Confederation.” He proposed the formation of a Provincial Advisory Council, empowered to cope with the existing situation in the Province and he moved, seconded by Mr. Dysart (Opposition Leader), an Amendment to the Motion, that the House resolve itself into Committee of Supply, to the effect that the House regretted that the Government had “failed to present a balanced Budget notwithstanding the withdrawal from the Dominion Treasury of the sum of \$529,299 which had been standing to our credit since Confederation and bearing interest at 5 per cent.; that the Government has further increased the bonded debt during the last fiscal year; that the Government has failed to meet the unemployment situation, especially in the northern part of the Province”.

Mr. Harrison (Mar. 10) referred approvingly to the steps taken at the Inter-Provincial Conference of January, 1933, in an effort to have a uniform Companies Act in the Dominion and to the attitude of that body toward unemployment insurance. The latter, he believed, might be contemplated for Canada only in a time of prosperity. He resented, he said, the belittling of the results of the Imperial Economic Conference, 1932, by the Leader of the Opposition, recalling that at the close of the Conference the Prime Minister of Canada (Mr. Bennett) had been acclaimed by representatives of the United Kingdom as the one who, more than any other, had made the Conference a success. He suggested patience with regard to the “present rate of exchange”; as the situation improved Canadian products would enter the United Kingdom markets under much more favourable terms. He informed the House that only the week previous lumber had been shipped to the United Kingdom at a profit, notwithstanding the existing adverse circumstances; that, largely as a result of the Conference, business at the Port of Saint John had already improved. Speaking of the freight rates question, Mr. Harrison stated that under the Maritime Freight Rates Act, based on the Duncan Report, Maritime shippers had already benefited to the extent of \$3,000,000 annually. Answering criticisms of Mr. Michaud Mr. Harrison pointed out that in 1925 the Provincial Net Debt was \$32,000,000 and in 1932, \$45,000,000, a difference of \$13,000,000 or an increase of 40 per cent.—not 100 per cent. as stated by the Opposition Member. With

regard to Sinking Funds, he stated that New Brunswick, in proportion to its revenue, provided more money for this purpose than any other Province in the Dominion. He claimed that, according to expert opinion, the withdrawal of the sum on deposit at Ottawa—the exigencies of the time requiring such action—was sound financing. He reminded the House that the Government had reduced Ordinary Expenses during the previous year by \$568,000 and that the Estimates before the House promised a further cut of \$355,000. There was no question, he stated, but that the Government was face to face with a difficult task. The Crown Lands promised a revenue for the year of \$95,000 where in 1925 they produced \$800,000. This showed that an improvement in the lumber industry would bring back the revenue and pay for necessary expenses of the Public Service. He criticized the programme laid down by Mr. Michaud as to a five-year moratorium on taxes. He pointed out that the suggestion of providing relief by means of public works would be to fly in the face of the experience of all the countries in the world, recalling that at a conference in Ottawa, in 1932, attended by public men of every political affiliation it was declared that such a thing could not be done—it was financially impossible. He agreed with the suggestion of a back-to-the-land movement, as within a period of four years the Government had induced 800 families to settle on the land; and he reminded the House that Federal statistics based on the Census of 1931 showed that New Brunswick was the only Province to show an increase in agricultural population in proportion to the dwellers in urban centres. Continuing, he explained that a brief was in the course of preparation by the Government dealing with a suggested increased subsidy for the Province from the Dominion.

Mr. Dysart's speech (Mar. 22) was a critical survey of Departmental administration. He regretted the step taken in refusing the grant to vocational schools; also the proposal to discontinue free school books; stated that notwithstanding the passing of an Old Age Pension Act by the New Brunswick Legislature three years before, two years had passed before the Government decided that they could not carry out the obligations entailed. He commented on the expenditure made on Provincial roads, claiming that \$20,000,000 had been spent by the Conservative Administration since 1926 which had been charged to Capital Account. He did not believe that the embargo on pulpwood should have been removed until the mills of the Province were working to capacity. He did not approve of the withdrawal of the money from Ottawa. Much criticism was levelled by Mr. Dysart against the Department of Public Works and its expenditures. He stated that for years he and other Members of the Opposition had contended against the method adopted by the Department in their purchase of supplies of road machinery.

Mr. Stewart (Mar. 23) defended at length the administration of his Department (Public Works), taking up each item referred to by Mr. Dysart. In conclusion he expressed the hope that the facts he had presented to the House would have the effect of making Opposition Members have a little more regard for the statements they might make to the House in future. He advised those who wished to acquire correct information concerning his Department to obtain it from either himself or his Deputy, both of whom were available at all times for that purpose. Mr. Stewart's speech concluded the Debate.

The Amendment to the Supply Motion which had been made by Mr. Michaud and seconded by Mr. Dysart, was then presented by the Speaker and a vote having been taken it was lost on division, 29 to 14. The original Motion for the House to resolve itself into Committee of Supply then being put was carried on the same vote reversed.

Legislation and Incidents of the Session. In addition to the measures relating to appropriations for Government purposes and the Unemployment and Relief Act, enactments of the 1933 Session provided for the retainment of the Franchise by persons in receipt of direct relief; continued the reduction in Sessional indemnities and in salaries of the Members of the Executive Council; conferred certain powers on the Lieutenant-Governor-in-

Council in respect of insurance; amended the Motor Vehicle Act; and provided for the securing of loans upon forest products.

A Resolution (Apr. 4) proposed by Hon. L. P. de W. Tilley (Minister of Lands and Mines), seconded by A. Allison Dysart (Opposition Leader) and unanimously passed, urged extension of the Dominion stabilization fund to include Canadian lumber and wood products shipped to the United Kingdom. Reference had been made, in a preamble of the proposed Resolution on Mar. 30, to the fact that a plan presented to the House of Commons in the Budget Speech of the Minister of Finance, contemplated the stabilization of the exchange rate of the pound sterling whereby exporters to the United Kingdom would be paid the difference between the price actually received for their exports and a fixed value of \$4.60 for the pound sterling. In moving the Resolution, Mr. Tilley reminded the house of the rapid decline which had taken place in the lumber industry in New Brunswick: in 1928 the cut was 300,000,000 feet, whereas the estimated cut for 1933 was only 70,000,000 feet. This decline in lumbering meant a reduction in wages of approximately 30 per cent.

The Motion to adopt the Report of the Public Accounts Committee, which was submitted to the House on Apr. 6, 1933, was carried on division 27 to 12, Mr. Michaud (Lib., Madawaska) declaring that it had not been concurred in by the Opposition Members. The Report recommended, with regard to the Public Debt, that any Provincial investments in bonds of other Provinces should be replaced by bonds of New Brunswick or those of the Dominion, as soon as possible; likewise funds invested in pension funds of Civil Service employees representing this class of investment. The Report stated that the whole question of teachers' pensions should be thoroughly analyzed and new legislation introduced if the system were to survive, as the cost to the Province had increased from less than \$2,000 in 1924 to approximately \$40,000 in 1932—or over 2,000 per cent. As far as could be seen, the Committee declared, the peak of this charge under existing legislation had not nearly been reached as there were a great many teachers eligible for pension who were still teaching. The Committee also recommended that, as the financial responsibility to the Gordon Memorial Sanatorium and the Provincial Hospital of the Province was practically on the same basis, consideration should be given to the consolidation of this service with the idea of its being eventually brought under the direction of one board or of the Minister of Health. Contentious questions arising in various Debates during the Session were reported on: Provincial garages expenditure had been examined in detail and was found to have been justifiable; timber purchases (also under examination by the Committee in 1932) were declared to have been made efficiently and economically and to have provided employment; the policy of securing uniform products so as to improve marketing conditions was deemed advisable; the cost of the administration and conservation of investment, aggregating \$1,168,619 in farm lands in the various settlement schemes of the Province, was found to have been economically carried out at the rate of less than one per cent. of the investment; the purchase of 31 motor cars on the eve of the inauguration of the Royal Canadian Mounted Police in the Province was stated to have been the result of a contract entered into Jan. 1, 1932, by the then Commissioner of the Provincial Police, at which date there had been no intimation that the control of the Provincial force was to be taken over by the Royal Canadian Mounted Police.

Reports of Departments: Agriculture

The Annual Report of the Department of Agriculture (Minister, Hon. Lewis Smith) for the year ended Oct. 31, 1932, stated that all crops had yielded well with the exception of the potato crop, which had suffered severely from late blight. Low prices, almost approaching the pre-War level, had prevailed for all farm-produced staples during the year. Statistics furnished by the Dominion Bureau of Statistics gave the number of live stock for the year as follows: horses, 52,900 (1931, 52,902); cattle, 221,000 (1931, 213,706); sheep, 131,000 (1931, 143,180); swine, 96,000 (1931, 84,737);

poultry, 1,415,000 (1931, 1,324,179). The following table shows the total production of field crops, together with the estimated acreages and yield per acre:

	Acres	1931 Yield per Acre Bush.	Total Yield Bush.	Acres	1932 Yield per Acre Bush.	Total Yield Bush.
Wheat	7,673	18.5	142,000	11,300	17.7	200,000
Oats	216,516	31.0	6,718,000	216,500	31.3	6,776,000
Barley	9,845	28.9	284,600	12,000	27.7	332,000
Beans	826	18.2	15,000	1,000	17.5	18,000
Buckwheat	41,637	17.2	714,600	42,100	20.5	863,000
Mixed Grains	1,938	28.8	56,000	4,300	30.2	130,000
		Cwts.	Cwts.		Cwts.	Cwts.
Potatoes	59,263	107.0	6,341,000	48,200	80	3,856,000
Turnips	8,898	247	2,198,000	10,300	250	2,575,000
		Tons	Tons		Tons	Tons
Hay and Clover....	457,571	1.66	760,000	561,200	1.57	881,000
Corn	526	7	3,700	600	5.4	3,200

NOTE.—For 1933 field crops statistics see Section on Industries (Agriculture).

Amendments to regulations relating to the bonus for the clearing of land and first ploughing were passed during 1932, granting such payments only to persons with approved applications who had less than 30 acres cleared on the properties they owned. Butter production reached a new high point in the history of the Province, the total output of the 23 creameries being 2,749,320 lb., an increase over the previous year of 333,328 lb. The production of factory cheese was 458,313 lb., a decrease of 37,948 lb. from 1930-31. The apple crop was greater than that of the previous year, amounting to approximately 40,000 barrels, and the apples showed improvement in size, colour, and freedom from scab. It was stated that consumers' requirements in the Province had been supplied by home-grown apples to a larger extent than ever before, amounting, during the period, Aug. 15 to Feb. 1, 1933, to over 90 per cent. of the total consumption. Four new Women's Institutes were organized during the year and financial statements were received from 140 branches showing receipts amounting to \$21,086 and expenditures of \$12,503, of which about \$1,000 was spent on relief work. The Elementary Agricultural Education Division reported the total number of projects of all kinds under its control as 16,318, an increase of 667 compared with the preceding year. School fairs, in which 86 schools participated, numbered 34 and 1,051 pupils received instruction in school gardens. Grants totalling \$22,282 were made to 164 agricultural societies, in the membership of which there was a general decline. A total of 46 farms was purchased during the year at a cost of \$61,603 by the Farm Settlement Board and these were sold to New Brunswick settlers.

Among resolutions passed at the Annual Meeting of the New Brunswick Farmers' and Dairymen's Association held Jan. 24-25, 1933, were those recommending reductions of between 30 and 40 per cent. in the salaries of New Brunswick Cabinet Ministers and in the Sessional indemnities of Members of the Legislature; the creation of a commission to which farmers might apply for investigation of mortgage foreclosure proceedings; the establishment of a Government-owned and bonused seed-cleaning plant; the discontinuance temporarily of the immigration policy of the Federal and Provincial Governments; downward revision by the C.N.R. and the C.P.R. of the carload *minima* of live stock, especially lambs and hogs, loaded in the Maritimes; and the consideration of grants to facilitate the establishment of flour mills in the Province. It was announced by the Minister of Agriculture, Hon. Lewis Smith, that the bonusing of farmers for first clearing of land in New Brunswick would be discontinued in 1933. The total expended in carrying out this policy in 1931 and 1932 had amounted to approximately \$92,000. Clyde E. Rideout, Hartland, was elected President for the ensuing year.

The Annual Meeting of the New Brunswick Fruit Growers' Association was held at Fredericton on Apr. 7, 1933. The Secretary-Treasurer, A. G.

Turney, stated in his Report that apples had been imported into St. John in the following quantities from Jan. 1 to Dec. 31, 1932: from Nova Scotia, 10,463 barrels, 8 half-barrels, 391 hampers and 272 boxes, beside 2 barrels and 7 crates of crab apples; from British Columbia, 4,536 boxes; from New Zealand, 2,268 boxes; from Washington, 906 boxes, and California, 1,895 boxes. From Jan. 1 to Mar. 31, 1933, 5,435 barrels were imported from Nova Scotia; 3,768 boxes from British Columbia and 101 boxes from Washington. Successful competition with these importations by New Brunswick producers, said Mr. Turney, would mean a market in the Province for approximately 10,000 to 15,000 barrels. As the result of an apple maggot survey during the Summer of 1932, a total of 416 orchard inspection reports had been made. It was decided that organized voluntary effort would do more than compulsory legislative measures to improve the general condition of infestation prevailing, of which, however, there was very little in commercial orchards. In his Annual Address, the retiring President, W. W. Hubbard, affirmed that fruit-growing, in spite of excessive transportation costs and other artificial barriers, had been the least affected financially, by the depression, of any branch of agricultural work in the Province. The following officers were elected for the ensuing year: President, George W. Dingee, Gagetown; Vice-President, Alexander G. Dunphy, Douglas; Secretary-Treasurer, A. G. Turney, Provincial Horticulturist, Fredericton.

Lands and Mines; Fisheries. According to the Annual Report of the Department of Lands and Mines (Minister, Hon. L. P. D. Tilley) for the year ended Oct. 31, 1932, the Territorial Revenue for that period amounted to \$669,150, showing an increase over the 1931 revenue which took place mainly in stumpage. It was stated that, through the co-operation of the Department, George W. Bartlett of Fredericton had been sent to England during the course of the year to make a special investigation of the possibilities of an increased market for hardwoods. Among other findings Mr. Bartlett reported a large market for maple and for hardwood staves for tight barrels and flat hoops. Concrete results secured from his investigations were to be seen in the shipment of a trial commercial order of 500,000 feet of aspen logs to England for the British match and basket trade, the samples previously sent having proved satisfactory, and the shipment of a number of sample cases of white pine match splints for testing in Great Britain by the match manufacturers. The timber cut of the Province during the logging season 1931-32 was 114,000,000 feet, approximately ten per cent. greater than the preceding year, although a large decrease from the 224,000,000 feet cut two years previously. 380,287 cords of wood were manufactured in the six pulp and paper mills in 1932, compared with 483,458 cords in 1931. The unmanufactured pulpwood exported from New Brunswick amounted to 93,298 cords, a decrease of 45 per cent. from the preceding year when the amount was 171,305 cords, and the lowest recorded for eighteen years. Pulpwood manufactured in the Province totalled 473,586 cords, 181,177 cords less than in 1931. It was estimated that the timber cut from Crown Lands for the ensuing season would be only 67,000,000 feet, 40 per cent. less than the cut in 1932. In order to stimulate operation the stumpage rates were further reduced to one dollar per thousand for sawlogs both hard and softwood, and to two dollars per thousand for pulpwood, while other rates were made one-half those in effect in 1929-30. No assistance would be given in 1932-33 by the Federal Government in bearing the loss of stumpage as in the previous two years.

The Superintendent of Colonization stated that 40,000 acres of Crown Land had been made available for settlement during the year and that the number of settlers taking land under the Settlement Act had increased over 100 per cent. over the previous year, a total of 358 new lots having been approved to new settlers.

The Report of the Inspector of Mines (W. E. McMullen) showed an increase over 1930-31 of about nine per cent. in the production of coal, which

amounted to 169,473 tons of 2,240 lb. during the year 1931-32. This increase was partly to be accounted for in the greater demand by the railways which absorbed two-thirds of the total production. Other statistics were: men employed, 850; prospecting licences issued, 70; mining licences issued, 82; mining claims recorded, 315; and specimens examined, 337.

The Chief Game Warden reported an estimated kill of 334 moose for 4,424 licences for 1932 as compared to 363 for 6,024 licences in 1931. The sale of deer licences increased slightly from the previous year—from 11,926 to 11,972,—with an estimated kill in 1932 of 7,252. Partridges killed numbered 39,423, as compared with 44,469 in 1931. It was stated that on Feb. 15, 1932, the bounty on wild cats was reduced from \$5 to \$3, and that of \$5 on bears was discontinued. A total of \$5,498 was collected in royalties on fur-bearing animals during the year ended Oct. 31, 1932.

The production value of the fisheries of New Brunswick, as given in the Advance Report for 1932 of the Dominion Bureau of Statistics issued in co-operation with the Department of Fisheries, was \$2,972,706 compared with \$4,169,811 in the preceding year. Although the catches of lobster, sardine and smelt were greater than in 1931, the latter was the only one among the chief commercial fishes to show an increase in marketed value. The values in 1932 were as follows: lobster, \$1,041,845; smelt, \$492,888; sardines, \$426,349; herring, \$244,737; salmon, \$232,412; and cod, \$197,917. The catch of fish of all kinds during the year amounted to 1,023,270 cwt., with a landed value of \$1,505,203, compared with a catch of 1,139,620 cwt., and a landed value of \$2,006,785 in 1931. Capital invested in the fisheries totalled \$5,737,722 in 1932, a decrease from the previous year of \$362,271. This total comprised \$3,650,820, representing the vessels, etc., used in the primary operations of catching and landing the fish, and \$2,086,902, the amount invested in fish canning and curing establishments. The number of persons employed in the fisheries industry was 15,764; of these, 13,411 men were employed in primary operations, and 2,353 in the fish canning and curing plants.

Public Works. The total expenditure of the Department of Public Works as given in the 78th Annual Report of the Minister (Hon. D. A. Stewart) covering the year ended Oct. 31, 1932, amounted to \$3,272,203 for that period. Of this sum, \$806,760 was spent on employment relief works which were carried on with the assistance of the Federal Government. The total cost of the works was \$1,726,722, enabling the employment of 32,606 men for 3,736,406 hours and the distribution of \$1,200,000 in wages. For the period, Dec. 15, 1931, to May 1, 1932, the cost of direct relief amounted to \$144,278 and it was estimated that at Oct. 31, 1932, approximately 7,000 families with 30,000 dependants were receiving assistance. Expenditures for road construction and maintenance totalled \$2,525,325, 37 per cent. lower than those of 1931 and 66 per cent. below the peak figures of 1930. The total for 1932 was divided as follows: permanent roads (main trunk), \$605,120; permanent roads (secondary and branch), \$1,261,861; ordinary roads, \$273,769; municipal roads, \$71,656; and patrol, \$312,919. The amount of permanent highway construction carried on during the year was comparatively small: on main trunk highways 1 mile was reconstructed under contract, 29 miles by the Department and 270 miles were improved; on secondary trunk highways, 115 miles were reconstructed by the Department and 350 miles were improved; on branch and bye roads, 117 miles were reconstructed by the Department and 129 improved.

The Motor Vehicle Inspector reported a decrease in registration from the previous year of 5,195 passenger cars and 426 trucks, a loss which occurred principally in the rural sections of the Province and which was due largely to financial causes and, to a smaller extent, to the increase in licence fees. Registrations were as follows: 24,030 cars, 3,540 trucks, 84 convertible trucks, 60 buses, 67 tractors, 595 trailers, 135 motor cycles, 49 hearses, 76 dealers and 76 service cranes. The total revenue collected was \$840,261, as compared with \$870,040 in 1931.

The Provincial Secretary. The 14th Annual Report of the Workmen's Compensation Board (John A. Sinclair, Chairman; Eugene R. Steeves, Vice-Chairman and Alexandre J. Doucet, Commissioner) covered the calendar year 1932. The total income for that year was estimated at \$389,979 and the expenditure at \$438,529, leaving an estimated deficit of \$48,550. After deducting the latter from the 1931 surplus of \$195,013, however, there was a net estimated surplus of \$146,463. The cost of administration was increased by \$8,979 which was accounted for by the expenses of the Royal Commission investigating the affairs of the Board and by the fact that the Factory Department had been brought under the Board. The adjusted financial statement for 1931 showed a net increase between the estimated and actual credit balances of \$726.60. In 1931 there were 17 fatal accidents; 253 cases of permanent partial disability; 3,328 of temporary total disability and 2,243 requiring minor and medical aid only.

During the year ended Apr. 30, 1932, 44 utilities reported to the Board of Commissioners of Public Utilities (Chairman, Hugh A. Carr) and various applications of companies under its jurisdiction were granted. The Motor Carrier Board held eight meetings during the year at one of which it was decided that no passenger or freight service franchises would be issued in districts already satisfactorily served by the railways, particularly along the Moncton-Nova Scotia Border route and the Campbellton-Bathurst section which were served by oil electric trains; that such franchises would be granted only if the public demand warranted and would not be issued to non-residents when residents of the Province were able to render the service.

The 1932 Annual Report of the New Brunswick Fire Prevention Board was submitted to the Annual Meeting on Feb. 27, 1932, by Hugh H. McLellan, Fire Marshal. There were 1,168 fires, with a loss of \$1,507,805 in 1932, as compared with 948 fires, with a loss of \$4,222,349, including the \$2,741,881 loss caused by the West Saint John docks fire, during the previous year. Deduction of the above item of \$2,741,881 made the Provincial fire loss of 1932 higher than that of 1931 by \$27,337. Farm abodes destroyed by fire during 1932 numbered 133 and other dwellings, 774.

Health and Vital Statistics. The 15th Annual Report of the Chief Medical Officer (William Warwick, M.D.) submitted to Hon. H. I. Taylor, Minister of Health, covered the year ended Oct. 31, 1932. A great increase was shown in the volume of work accomplished by the Laboratory, approximately 34,000 examinations of specimens being made, of which number 20,000 were of a strictly public health nature. For the second consecutive year there was no outbreak of smallpox in the Province, but scarlet fever was prevalent to a greater degree than in the preceding year. In spite of a reduction of 46 per cent. in the number of diphtheria cases, total deaths from that disease showed an increase; 28 out of the 31 deaths were in rural areas, strong evidence of the necessity of extending the service of community protection by inoculation. There were 96 cases of typhoid with only 12 deaths, while the mortality from whooping-cough was one-third that for 1931, claiming only 50 lives. While deaths from tuberculosis remained unduly high in comparison with most of the other Provinces, they were showing a gradual but steady decrease, tentative figures for 1932 giving the rate for that year as 75.5 per 100,000 population.

The Vital Statistics Branch of the Department reported the census population of the Province as 408,219 for the year 1931. Births totalled 10,801, in that year, an increase in rate from 24.9 in 1930 to 26.5 per 1,000 population, while the marriage rate declined from 6.8 in 1930 to 6.2 in 1931. Deaths numbered 4,644, a decrease from the previous year of 347, and a general death-rate of 11.4 per 1,000 of population. The principal causes of death in 1931, in order of importance were as follows: diseases of the heart, 525; cancer, 409; pneumonia, 368; tuberculosis, 339; old age, 326; and congenital debility and premature birth, 296.

Electric Power; Liquor Control. According to their Annual Report for the year ended Oct. 31, 1932, the New Brunswick Electric Power Commission (E. A. Reilly, Chairman) had, at the end of that period, 579 miles of rural distributing lines in the Province, and 235 miles of high voltage transmission line. During the year the Commission completed the construction of 6,600 volt lines from Devon to service the St. John Valley, from Fredericton south to Oromocto and north through Keswick and the Kingsclear district, taking in both sides of the St. John River for a distance of 20 miles north of Fredericton. Forty-four miles of 4,100 volt-distributing line were built from Dalhousie west to the outskirts of Campbellton, and south-eastward a few miles beyond Jacquet River. It was also stated that a new rural power district had been opened around Dalhousie. The total number of meters connected to the Commission's system was 22,655, comprising 55 per cent. of all the meters in the Province. The amount of power delivered to distributing centres, after allowing for line and transformer losses, was 32,360,000 k.w.h. as compared with 26,504,000 k.w.h. for the previous year. The gross revenues for the year under review amounted to \$658,797 as against \$548,095 for 1931. There was a net reserve at the end of the fiscal year of \$733,283.

The decrease in sales of liquor commodities during the year ended Oct. 31, 1932, was given as \$989,629 in the Annual Report of the New Brunswick Liquor Control Board covering that period. The following is a comparison of 1932 sales with those in 1931: alcohol, \$18,759 (1931, \$29,843); spirits, \$1,717,871 (1931, \$2,372,432); wine, \$182,402 (1931, \$270,504); and beer, \$874,763 (1931, \$1,110,599). A general decrease was noted in arrests for intoxication and the Board was confident that better enforcement of the Intoxicating Liquor Act would result from the taking over of the police supervision of the Province by the Royal Canadian Mounted Police. During the year the Board found it necessary to pass an order prohibiting the sale of any flavouring extract or essence containing alcohol in the towns of Newcastle and Chatham, except in bottles containing not more than two ounces. The financial statement for the year revealed a gross profit of \$1,152,871 and a net profit of \$861,540.

Education. The Annual Report of the Schools of New Brunswick, submitted by the Chief Superintendent of Education, A. Stirling McFarlane, covered the school year 1931-32. According to the statistical abstract, the number of schools functioning in June, 1932, was 2,465; the number of teachers employed, 2,688; and the number of pupils in attendance during the year, 87,971; of these, 5,045 were enrolled in the High Schools, as against 4,213 in 1930-31. Annual grants to teachers amounted to \$344,749 in 1931-32, compared with \$337,265 the previous year, while the total amount of the County Fund for the year under review was \$228,268. The major recommendations of the Commission on Education, which had been appointed May 15, 1931, and which presented its Report to the Government on Mar. 1, 1932, were contained in the Report of the Schools. (See *The Canadian Annual Review*, 1932, pp. 227-28.)

The University of New Brunswick had a total enrolment for the year 1932 of 392 students. Degrees conferred in course at the Annual Convocation on May 19, 1933, numbered 88, and honorary degrees, 3, as follows: "LL.D.", Rt. Hon. R. B. Bennett, Prime Minister of Canada, and Lorne Albert Pierce, Toronto; and "Litt.D.", William Arthur Cowperthwaite, Winnipeg. Bequests received by the University during the year included the R. H. Hathaway collection of Canadian literature, donated by Frank and Irwin Hathaway, and a legacy of \$5,000 from J. W. Bailey (deceased) to establish the Marshall d'Avray Prize in English Literature and the Loring Woart Bailey Prize in Science.

Mount Allison University suffered a serious loss, when two of her buildings, the Centennial Hall and the old Science Building, were destroyed by fire on Mar. 17, 1933. Plans for rebuilding these were undertaken almost

immediately. It was announced that a fund of \$10,000 had been raised to found scholarships, as a memorial of the completion by Sidney W. Hunton, M.A., of fifty continuous years as Professor of Mathematics in the University. The most noteworthy donations received by the University during the year were those from the Carnegie Corporation of New York of \$125,000, as an endowment of the Chemistry Department; \$10,000 in books and other material for the Art Gallery, and also a portion of the general fund which the Corporation was giving to University libraries throughout Canada. At the Annual Convocation in May, 1933, the honorary degree of "LL.D." was conferred upon Sidney Walker Hunton, M.A., Sackville, N.B.; Goldwin Smith Lord, Edmonton; and George Douglas Steel, Charlottetown, P.E.I.; and that of "D.C.L." upon Hon. Thomas Mitchell Tweedie of the Supreme Court of Alberta. Eighty-five degrees were conferred in course at the same ceremony. Students enrolled at the University during 1932-33 numbered 641, excluding those doing extra-mural work; of this total, 434 were regular students and 207 Summer students only.

There were 124 students registered at St. Joseph's University during the period under review, and of these 16 received the degree of Bachelor of Arts at the Annual Commencement held on June 14, 1933. On the same day the honorary degree of "LL.D." was bestowed upon Hon. John H. Kelly, New Carlisle, Que., and upon Hon. Antoine J. Leger, and Hon. E. Albert Reilly, both of Moncton, N.B. Mgr. Frank L. Carney, v.g., and Mgr. Francois Daigle, v.g., received the degree of "Ph.D."

The Province of New Brunswick

(As at June 30th, 1933)

Lieutenant-Governor.....Major-General, Hon. Hugh Havelock McLean, K.C., v.d., LL.D.

The Tilley Ministry (Conservative)

Prime Minister and Minister of Lands and Mines... Hon. L. P. de W. Tilley, LL.B., K.C.
 Attorney-General Hon. W. H. Harrison, K.C.
 Provincial Secretary-Treasurer and Clerk..... Hon. Antoine J. Leger, M.A., K.C.
 Minister of Public Works Hon. David A. Stewart
 Minister of Agriculture Hon. Lewis Smith
 Minister of Health and Labour..... Hon. Henry I. Taylor, M.B., C.M.
 President, Executive Council and Minister without
 Portfolio Hon. George H. I. Cockburn
 Minister without Portfolio..... Hon. E. Albert Reilly, K.C.

Speaker, the Legislative Assembly..... Hon. Fred C. Squires

Heads of the Administrative Services

Clerk of the Executive Council..... H. Lester Smith
 Deputy Attorney-General Ralph Perley Hartley
 Acting Deputy Provincial Secretary-Treasurer..... W. Borden Trites
 Deputy Minister of Lands and Mines..... G. H. Prince, B.S.F., M.S.C.
 Deputy Minister of Public Works W. Arthur Barbour
 Deputy Minister of Agriculture Harvey Mitchell
 Superintendent of Education..... A. Stirling McFarlane, LL.D.

THE PROVINCE OF PRINCE EDWARD ISLAND

The Stewart Administration; A By-Election

At the beginning of the twelve-month period under review (July 1, 1932 to June 30, 1933) several important Provincial questions required the immediate attention of the Government of Prince Edward Island. There was the erection of two new buildings involving large financial outlays; the consideration of the cost of an old age pension system for the Province; the continuous, pressing need of alleviating the unemployment situation and, at the same time, of exercising a policy of economy in all Government services. There was also a By-election to be called some time before the end of 1932, and a new member to be appointed to the Executive Council.

Architects were engaged for the proposed rebuilding of Falconwood Mental Hospital, destroyed by fire on Dec. 14, 1931, and Prince of Wales College, which had met a similar fate on Feb. 6, 1932. It was finally decided after several plans had been drawn up for the Falconwood building, to abandon the project until after the meeting of the Legislature in 1933. Difficulty had been experienced in the endeavour to embody in the plans the major recommendations of the Report of the survey of conditions and classification of the patients in the Hospital which had been made prior to the fire by members of the Canadian Council of Mental Hygiene and, at the same time, to keep the total cost of construction and equipment within the financial ability of the Province. As an alternative proposition, which was eventually accepted, the Government was offered for lease for one year the old building of the Prince Edward Island Hospital with the option of purchase at the end of that period. It was decided also, at the 1933 Session, to re-condition the east wing of Falconwood Hospital and a sufficient sum of money was voted for this work. The building was expected to house about 50 per cent. of the patients. No such difficulty was encountered with the rebuilding of Prince of Wales College. The work of construction was soon under way and the building ready for occupancy on Jan. 20, 1933. The total cost of construction, furniture and equipment was \$361,000. Unwonted good fortune befell the College during this period in the form of a substantial grant from the Carnegie Corporation for its Library; this had been obtained through the efforts of the Minister of Education, Hon. W. J. P. MacMillan, M.D., who had secured the recommendation of Dr. George H. Locke of Toronto, Chairman of the Library Commission for Canada of the Corporation, for such financial recognition. The donation to the College was \$1,500 a year for a three-year period. St. Dunstan's University also received a grant for Library purposes—\$600 a year for three years. A further appeal by Dr. MacMillan to the Corporation in the interests of these two educational institutions resulted, after a Report had been made on behalf of the Corporation by Dr. G. R. Lomer, Librarian

of McGill University, in a gift of \$75,000 for the establishment of a Chair of Economics and Sociology in Prince of Wales College, the incumbent to teach also in St. Dunstan's University and to lecture throughout the Province. In addition, a grant of \$60,000 was made by the Carnegie Corporation for the conduct and demonstration of library service in the Province.

A study of Old Age Pensions was made and the conclusions presented to the House during the 1933 Session: \$20 a month for each eligible person under the Act had been first considered but finally it was decided that \$15 should be the individual allowance. The Prince Edward Island Government was represented at the Dominion-Provincial Conference at Ottawa in January, 1933, when unemployment and policies for its relief were questions to the forefront in discussions.

A By-election took place on Oct. 12, 1932, in the Fifth Electoral District of Prince County for representation in the Legislative Assembly, necessitated by the death of Hon. Leonard MacNeill, Minister of Public Works and Highways, on Feb. 23. John F. MacNeill, M.D., Liberal candidate, with 1,834 votes polled, was declared elected by a majority of 1; Hibbert M. Downing, Conservative candidate, having polled 1,833 votes. The latter's death, which took place not long after the Election, received regretful mention in the Legislature during the 1933 Session. In May (1933) after the House had closed, Liberal representation was reduced from 13 to 12 by the death of Callum J. Bruce, Councillor for the Fourth District of Queen's County. Government (Conservative) representation was 17. No By-election to fill this latter vacancy took place before July, 1933.

Cabinet changes between July 1, 1932 and June 30, 1933, involved several portfolios: the office of Secretary-Treasurer was added to the duties of the Prime Minister; Hon. G. Shelton Sharp, who had been Minister of Agriculture and Provincial Secretary, became Minister of Public Works and Highways and the Portfolio of Agriculture was given to Thomas McNutt, Councillor for the Third Electoral District of Prince County. (After July 1, 1933, other Cabinet changes, due to the death of Hon. J. D. Stewart (Prime Minister) on Oct. 10, were made—these are given at the end of this Section).

The 1933 Session of the Legislature

The Second Session of the Forty-Second General Assembly of Prince Edward Island was opened at Charlottetown on Mar. 1, 1933, by the Lieutenant-Governor, Hon. Charles Dalton. Although it had not been expected that the Prime Minister (Hon. James D. Stewart), whose health had become impaired during Recess, would be present at the opening, it was hoped that he would be able to take his place at a later date.

This was not to be, however; his illness, which was to prove fatal about six months later, became steadily worse and Hon. W. J. P. MacMillan, Minister of Education and Public Health, continued to carry on the duties of the Prime Minister during the balance of the Session.

The Speech from the Throne covered the efforts of the Imperial Economic Conference (July, 1932) to expand Empire trade; Provincial Government

representation at the January (1933) Dominion-Provincial Conference at Ottawa; agricultural conditions in the Province during 1932; the addition of thousands of dollars to the revenue of the Province by the increase in the price of fox pelts; the increased landed catch of fish during the previous year. Educational matters included the opening of Prince of Wales College; the addition of two members to the staff to take care of the increased enrolment; grants from the Carnegie Corporation; the enlargement of Summerside School in order to enable it to give a high school course. The Speech contained a forecast that Old Age Pensions would go into effect June 1, 1933.

Thomas Wigmore (Con., 1st Queen's) moved that the Address-in-Reply to the Speech be presented and J. H. MacDonald (Con., 5th King's) seconded the Motion. The brief Debate was opened by the Leader of the Liberal Opposition (Walter M. Lea) and was concluded, after several Members had spoken, on Mar. 7, when the Motion was unanimously adopted. Mr. Lea commended the Health and Education activities of the Government but regretted that the agricultural industry, particularly dairying, had not been given more attention. He assailed the tariff policy of the Dominion Government as a detriment to agriculture. Mr. MacMillan (Acting Government Leader) followed with a short address, in the course of which he gave eloquent tribute to the devoted efforts of the Prime Minister (Mr. Stewart) in the discharge of his duties. He described the progress made toward the establishment of a tribunal to make an adjudication on the Duncan Commission award with regard to Provincial subsidy claims; the advance made in education and the grants from the Carnegie Corporation; and the improvement in Health and Welfare services.

Public Accounts; The Budget. According to the Statement of the Provincial Auditor for the year ended Dec. 31, 1932, tabled in the Legislature (Mar. 7, 1933) the Total Ordinary Revenue of the Province for that year was \$1,206,025 and the Total Ordinary Expenditure, less Sinking Funds of \$88,042, was \$1,189,358, leaving a Revenue Surplus of \$16,667. Direct Relief Expenditure of \$24,000 was charged to Ordinary Revenue. It was shown that \$86,000 of the increased Debt of \$290,096 represented Controllable Expenditure and this amount was Capital Expenditure for necessary permanent works.

In the Budget Speech of Mar. 20, Hon. W. J. P. MacMillan, Acting Secretary-Treasurer, showed for the year ended Dec. 31, 1933, an Estimated Surplus of \$4,168, exclusive of Sinking Fund payments of \$108,705. The Estimated Ordinary Expenditure was \$1,289,705 and the Estimated Ordinary Revenue, \$1,293,874. Tax collections (net) of \$111,000 in 1932 were only \$2,000 less than in 1931. In addition, road tax arrears of \$46,000 by Statute labour and otherwise, had been collected. The total cost of building and equipping the new Prince of Wales College was given as \$361,000 by Dr. MacMillan. During 1933 there was to be expended \$1,000, which would be supplemented by the Women's Institutes, to establish dental clinical treatments for school children. Dr. MacMillan stated that Provincial finances were not in a satisfactory condition owing to mounting interest and Sinking Fund charges. He declared, however, that the Government could not be blamed for unavoidable expenditures; and that the practice of economy had been carefully observed in connection with those which were avoidable. Old Age Pensions would be inaugurated, he stated, at the rate of \$15 per month, approximately 900 persons in the Province being pensionable. The Provincial cost would be \$32,000 but \$23,000 would be saved in expenditure for present infirmity patients and for persons receiving direct unemployment relief who would come under the old age pension list. With regard to the reconstruction of Falconwood Hospital, the Acting Provincial Treasurer stated that the Government desired the opinion of the Members of the Legislature.

The Leader of the Liberal Opposition (Mr. Lea) opening the Debate on the Budget, acknowledged the heavy responsibility which the Government were shouldering but regretted that they apparently saw no way of reducing expenditures or of increasing revenues. He suggested the purchase of the

Old Prince Edward Island Hospital building rather than the construction of a new one for Falconwood Hospital which would, he said, involve the borrowing of approximately \$500,000. He disapproved of a Maritime Union for the purpose of solving Provincial financial problems and he attacked the Government's bond issues of the previous year. [Mr. Sharp here interjected with the statement that they were not borrowings but the funding of borrowings of the previous (Liberal) Government.]

The Debate was concluded on Mar. 28 after Government policies had been defended by Hon. Adrian F. Arsenault and Hon. G. Shelton Sharp.

Liabilities of the Province were shown by the Public Accounts Committee, whose Report was adopted by the Legislature, as \$3,632,338 at Dec. 31, 1932; Total Ordinary Revenue as \$1,206,025 and Total Ordinary Expenditure as \$1,277,400.

Supplementary Estimates amounting to \$215,000 were passed before the Session closed; these related to the Expenditure required for the fiscal year ending Dec. 31, 1933, and also until the final passage of the Estimates of the Expenditure for the fiscal year ending Dec. 31, 1934. Of this total \$117,500 was for Prince of Wales College Account, and \$97,500 for Falconwood Hospital Account.

Legislation and Incidents of the Session. Before Prorogation of the Legislature on Apr. 6, 1933, several new measures were passed and Amendments made to existing Acts. Taxation legislation included: an Amusement tax of from 1 cent to 50 cents; an increased tax on electrical companies; a specified tax on insurance, trust and loan, telegraph, transportation, express, and automobile financing companies, and banks, stock or investment brokers carrying on business in the Province; an Amendment to the Gasoline Tax Act. An Amendment to the Old Age Pension Act of 1931 placed the jurisdiction of the system in the Province under the Minister of Education and Public Works and made obligatory the maintenance of a parent by either a son or daughter to the extent of the means of the latter. A family Court for juvenile offenders, requested by the Children's Aid Society was provided for in an Act. An Act embodied the agreement executed in 1932 between the Dominion Minister of Justice and the Attorney-General of the Province in respect of the transfer of the duties of the Prince Edward Island Police to the Royal Canadian Mounted Police. The Teacher's Superannuation Act was amended to provide, amongst other items, for payment into the fund by the Provincial Treasury of one-half the amount contributed by the teachers. The Bulk Sales Act, similar to legislation in the other Provinces, was to prevent the disposal of goods in bulk by a debtor without first satisfying his creditors.

In a Resolution unanimously adopted by the House on Mar. 30, appreciation was expressed to the Dominion Government for providing more favourable access to Empire markets; it was urged at the same time that acceptance be made of any fair and reasonable proposal for extending trade with the United States.

Departmental Reports. The Annual Report of the Department of Agriculture for the year ended Dec. 31, 1932, was submitted by Hon. Thomas MacNutt (appointed Minister of Agriculture on Dec. 1, 1932, to succeed Hon. G. Shelton Sharp). The final estimates of the area, yield and value of field crops for 1932 were as follows:

	Acres	Yield per Acre bushels	Total Yield bushels	Average Price per bushel	Total Value
Wheat	23,300	20.3	472,800	\$0.75	\$ 354,000
Oats	149,500	38.3	5,608,300	.24	1,345,992
Barley	4,000	35.3	141,300	.40	56,520
Mixed Grains	23,800	40.3	965,900	.30	289,770
Buckwheat	2,600	27.0	68,200	.45	30,690
Potatoes	41,400	125.0	5,175,000	.24	1,242,000
Turnips	8,400	650.0	4,310,000	.12	517,200
		tons	tons	per ton	
Hay and Clover.....	226,300	1.5	319,650	7.50	2,397,375

NOTE.—For 1933 field crops statistics see Section on Industries (Agriculture).

The number of live stock on farms at Dec. 1, 1932, was as follows: cattle and calves, 90,600 (1931, 90,100); swine, 44,200 (1931, 38,800); sheep and lambs, 54,400 (1931, 55,000). Creameries and cheese factories listed as being in operation in 1932 totalled 37; of these, 22 manufactured butter only; 2, both cheese and butter; and 13, cheese only. The butter production amounted to 2,322,180 lb. for the year, an increase of 258,828 lb. over that for 1931, while the amount of cheese manufactured was 797,024 lb., a 40-per cent. increase over the previous year. The production of eggs declined slightly in 1932 and prices showed a decrease of three to four cents per dozen. The quality of poultry offered for consumption was poor and poultry receipts were some twenty to twenty-five per cent. lower than in 1931. In spite of this, however, it was felt that poultry prospects for 1933 were favourable, the storage stocks of eggs being practically depleted and poultry holdings at Jan. 1, 1933, being approximately 2,000,000 lb. under the five-year average, and 3,000,000 under 1932. Potato planting of 1932 dropped about 40 per cent. and the yield was the lowest for a number of years.

The total value of the output of the Prince Edward Island fisheries in 1932 was \$988,919 compared with \$1,078,901 the previous year, according to the Advance Report for 1932 issued by the Dominion Bureau of Statistics in co-operation with the Department of Fisheries. Lobster had a production value of \$750,039; herring, \$68,246; cod, \$52,405; and smelt, \$51,610. The quantity of fish of all kinds caught and landed totalled 237,368 cwt. with a value to the fishermen of \$713,552, compared with a total of 235,830 cwt., with a value of \$765,043 in 1931. Capital invested in the industry was \$1,106,635 in 1932 as against \$939,212 in the previous year; of the 1932 total, \$916,660 represented the value of vessels, etc., used in the primary operations and \$189,975 was the amount invested in the fish canning and curing branch. 4,568 persons were employed in the year under review, an increase of 763 over 1931.

The Annual Report of the Department of Public Works and Highways (Minister: Hon. G. Shelton Sharp) covered the calendar year 1932. During this period 289 miles of road were reconstructed and widened; 505 miles were regraded and 15,880 miles were scraped and dragged. A total of 40 miles of road was surfaced with pit and shore material. 7 new steel bridges were erected and 16 wooden ones, making a total in the Province of 131 steel and 747 wooden bridges. Larger bridges rebuilt during the year with wood numbered 35 and smaller ones, 211, while 153 larger and 349 smaller bridges were repaired. The total expenditure of the Department was \$1,102,271, of which \$261,574 was spent under the Unemployment and Farm Relief Act, 1931, \$170,595 on Roads, and \$343,127 on the rebuilding of Falconwood Hospital and Prince of Wales College.

In submitting the Report of the Department of Public Health for the year ended Dec. 31, 1932, the Minister, Hon. W. J. P. MacMillan, M.D., C.M., stated that the most important development of the year's work had been the opening of a Venereal Clinic in Summerside. According to the Report a betterment of public health conditions, especially in preventive health services, had resulted from the reorganization of the Department of Public Health in July, 1931. In 1932 there were 212 deaths from communicable diseases as compared with 175 for the previous year. The death rate from tuberculosis was 95.5 per 100,000 population while that for 1931 was 77.4. Tentative figures for 1932 gave the number of births as 1,946; deaths, 1,045; and marriages, 448. Although the number of births was almost double that of deaths, the population of the Province remained practically stationary, owing to the annual emigration. The final statistics for 1931 were as follows: births, 1,879; deaths, 912; and marriages, 490.

The Report of the Chief Superintendent of Education, H. H. Shaw, B.Sc., for the year ended Dec. 31, 1932, gave the number of districts operating during the school year as 474 or five more than in the preceding year; and the number of schools in operation as 477. School departments numbered 638, an increase of 12 over 1931. Enrolment in 1931-32 was 17,846, or 340

more than in 1930-31; of the total, 8,963 were boys and 8,883 were girls. The average daily attendance was 13,119, as compared with 12,721 in the previous year. Male teachers numbered 150 and female teachers, 488. Government expenditure on schools amounted to \$324,831 and district expenditure, \$218,476.

Simultaneously with the opening on Jan. 20, 1933, of the new Prince of Wales College at Charlottetown, which had been rebuilt following its destruction by fire in February, 1932, came the announcement of the voting of two magnificent grants for the Province by the Carnegie Corporation. These consisted of \$60,000 for library service demonstration and \$75,000 for endowment of a Chair in Economics and Sociology in the Prince of Wales College. Miss Nora Bateson, M.A., was later appointed Director of the Library Service Demonstration. St. Dunstan's University had an enrolment of 152 for the 1932-33 session and bequests for the year amounted to \$1,100. The degree of Bachelor of Arts was conferred upon 14 graduates and that of Science upon one graduate.

The Province of Prince Edward Island

(As at June 30, 1933)

Lieutenant-Governor Hon. Charles Dalton†

The Stewart Ministry (Conservative)

Prime Minister, President of the Council, Attorney and Advocate-General and Provincial Secretary- Treasurer	Hon. James D. Stewart, K.C.*
Minister of Public Works and Highways.....	Hon. G. Shelton Sharp
Minister of Agriculture	Hon. Thomas McNutt
Minister of Education and Public Health.....	Hon. W. J. P. MacMillan, M.D.
Minister without Portfolio.....	Hon. H. Francis McPhee, B.A.
Minister without Portfolio.....	Hon. Adrian F. Arsenault, B.A.
Minister without Portfolio.....	Hon. Harry D. McLean
Minister without Portfolio.....	Hon. Walter G. McKenzie
Minister without Portfolio.....	Hon. Matthew W. Wood

Speaker, Legislative Assembly..... Hon. Augustine A. McDonald

Heads of the Administrative Services

Deputy Provincial Secretary-Treasurer.....	H. R. Stewart
Clerk of the Executive Council	H. R. Stewart
Clerk of the Legislature	H. E. Dawson
Law Clerk	James B. Johnston
Supervisor of Taxation.....	C. J. Stewart, M.C.
Registrar of Motor Vehicles.....	Cyriac Gallant
Acting Provincial Auditor.....	W. E. Massey, C.A.
Legislative Librarian	A. D. Fraser
Deputy Minister of Agriculture	Wilfred Boulter
Deputy Minister of Public Works and Highways.....	L. B. McMillan
Provincial Health Officer.....	B. C. Keeping, M.D., D.P.H.
Engineer	Herbert H. Shaw, B.Sc.
Superintendent of Education.....	Herbert H. Shaw, B.Sc.
Chief Clerk, Department of Education.....	P. S. Bradley
Commissioner of Crown Lands.....	C. F. MacDonald

*NOTE.—Owing to the death of Hon. J. D. Stewart on Oct. 10, 1933, the following changes were made in the Ministry: Hon. W. J. P. MacMillan, M.D., became Prime Minister, President of the Council and Provincial Secretary-Treasurer, retaining at the same time the Portfolios of Education and Public Health; Hon. H. Francis McPhee became Attorney and Advocate-General; and Hon. A. A. McDonald, Minister without Portfolio.

†NOTE.—On Dec. 28, 1933, George Des Brisay De Blois succeeded Hon. Charles Dalton as Lieutenant-Governor; the latter's death occurred on Dec. 9.

THE PROVINCE OF SASKATCHEWAN

Political Affairs During 1932-33; A New Party

Party politics were much to the fore in Saskatchewan during the latter part of 1932 and the early months of 1933. Coalition became a burning issue after the appearance of a new Party on the political scene. The Leader of the Liberal Opposition was insistent in his demands that the Government call an early general election; candidates were nominated in several constituencies by Conventions of the Liberal Party and the Farmer-Labour group before June 30, 1933, the end of the period under review.

The Provincial Prime Minister, Hon. J. T. M. Anderson, D.PÆD., in a statement to the Canadian Press on July 21, 1932, while in Ottawa, declared that his Government had no intention of going to the country either in 1932 or 1933. "Highly improved crop conditions have removed virtually the only contingency which could have justified an election with all its disturbing turmoil prior to the expiration of our five-year term of office in 1934." Speaking at Toronto of reported evictions of farmers in Saskatchewan, Dr. Anderson, on July 27, declared that the Government had taken every reasonable precaution to prevent evictions by creditors of rural and urban dwellers. He stated that 56,000 rural families had been assisted during the previous year by the Federal and Provincial Governments through the Provincial Relief Commission; that 50,000 farmers had been provided with 9,000,000 bushels of seed grain during the Spring of 1932; and that \$20,000,000 had been secured by the Government to assist nearly one-half of the farming population of Saskatchewan.

In a statement to *The Regina Star* (Sept. 26, 1932) the Prime Minister commented on the protest that municipal debts were being increased by relief distribution. He explained the position of Saskatchewan municipalities in this regard: that orders for relief commodities of various kinds were sent out where required by the Relief Commission and that, in all cases, the municipality was charged with 25 per cent. (a cut to 20 per cent. was announced on Sept. 30 for municipalities in drought areas) of the cost and were expected to pay when they were in a position to do so. He stated that the total Provincial relief expenditure from Sept. 9, 1929, the date the Government took office, to Aug. 31, 1932, was \$32,526,834—the Province's share of this was \$18,874,159, causing an increase in the Public Debt by the latter amount for relief work alone. The total administered by the Provincial Relief Commission was \$16,205,627. The share paid by municipalities, school districts, individuals and other sources was \$114,623.

A storm of discussion on "coalition" was begun in the Province following a statement of the Prime Minister on Sept. 8 to a Winni-

peg newspaper: "If we could have, for the next five years at least, a union of all Parties in each Province with a view to directing the best brains available to the critical situation now facing all governments, we would be making the very strongest contribution possible towards ending depression within the boundaries of Canada." A month later (Oct. 1), Dr. Anderson, speaking at Biggar (Sask.), stated that there could be no Coalition Government in Saskatchewan; that M. J. Coldwell (Leader of the new Farmer-Labour Party) had refused to have anything to do with the plan and that there was no common ground on which to meet James G. Gardiner (Liberal Opposition Leader), who, he claimed, had stated that only an election could determine the next form of Government. Dr. Anderson, however, extended an invitation to any Liberal Member of the Legislature who felt it his duty to join the Government "during this period of economic depression."

Prompt action was taken by the Liberal Party in response to this statement of the Prime Minister. A *questionnaire* was sent from Liberal Headquarters in Regina to each of the twenty-seven Liberal Members of the Legislature, requesting a declaration as to his attitude toward the Prime Minister's invitation to cross the floor of the House. It was understood that all but one Liberal Member (Charles McIntosh, Kinistino) had declared their allegiance to their Leader. Mr. McIntosh, in a letter to the Press on Nov. 22, appealed to the two Leaders to put aside political differences and unite in a coalition plan for the general good of the people of the Province. If this form of administration did not materialize, he declared his intention of supporting the Government.

Meantime, on Nov. 20, there had been a "confidential talk" between the Prime Minister and the Liberal Opposition Leader. Particulars of this meeting and copies of correspondence between the two Leaders were given to the Press by Mr. Gardiner a month later following a report in *The Winnipeg Free Press* of a statement made by Dr. Anderson in the course of an address in Winnipeg; Mr. Gardiner claimed that the remarks of the Prime Minister implied that he (Mr. Gardiner) had received and refused an offer of Coalition: this he denied. He explained that at the meeting on Nov. 20 Dr. Anderson had stated that he had no proposal of coalition to make to him (Mr. Gardiner) until after he had consulted his colleagues who were on the eve of meeting in caucus; and that a proposal would only then be made if the caucus supported his personal opinion that coalition would be advisable. Mr. Gardiner stated that he had explained to the Prime Minister that the Liberal Party was prepared to appoint representatives of the Liberal Members to sit in with the Government and design policies in regard to both debt adjustment and relief; this would remove these two questions from political discussion "from now on until election time." As an alternative to coalition Mr. Gardiner said he had suggested following out the Baldwin-MacDonald plan adopted at the end of the Labour Gov-

ernment in Great Britain—the agreeing upon measures dealing with urgent problems during the remainder of the Session and the determining in advance, approximately, of the date of the Election. (*The Leader Post*, Dec. 17, 1932). The Liberal Leader concluded his explanation by saying that he judged from the Prime Minister's statement following the caucus, namely, that he (the Prime Minister) could command a majority of the Members of the House and his further alleged statement in Winnipeg, as to the Liberal Leader's attitude toward the question, that he had no intention of proceeding with the plan.

Following this incident there was further correspondence between Dr. Anderson and Mr. Gardiner preceding a meeting of the Liberal Council in Regina on Jan. 18 (1933), the gist of which was that Dr. Anderson suggested that Mr. Gardiner place before the Liberal Council (including the Liberal Members of the Legislature) a request for an expression of opinion as to the principle of coalition under existing conditions. That body, after consideration of the question, definitely repudiated in a resolution all idea of the plan. The resolution stated that as the correspondence between the Prime Minister and the Leader of the Opposition contained no offer of coalition and as the Prime Minister had stated that his Government could carry on without the support of the Opposition; as the policies of the Liberal and Conservative Parties—Federal and Provincial—were so fundamentally opposed, one to the other, as to make compromise impossible; as “the term of the present Legislature will shortly expire”; as it was advisable that the people of the Province should have an opportunity of giving a fresh mandate in respect to public policy and administration; as the Liberal Members were willing to co-operate with the Government in all measures necessary for good government and the welfare of the people, it was decided that coalition was not in the best interests of the Province and that any arrangement of this nature would be quite properly interpreted as an attempt to continue the “present membership of the House for another term”. (*The Leader Post*, Jan. 19, 1933). Other resolutions at this meeting of the Liberal Council favoured the bringing of the Canadian dollar to a parity with the British pound sterling; the establishment of a central bank of re-discount to issue all Canadian currency; the empowering of Provincial and Municipal governments to secure currency from the central bank on deposit of gilt-edged security; penalties for banks that charge more than the legal rate of interest; the single transferable ballot; and “war” on combines and cartels.

A New Minister; Estevan and Other Vacant Seats. The Legislature opened on Feb. 2, 1933, and closed on Mar. 30. A month after prorogation Charles McIntosh, Liberal Member for Kinistino, was taken into the Co-operative Cabinet as Minister of Natural Resources, a Portfolio formerly held by the Prime Minister. In the ensuing By-Election in Kinistino on May 22 (1933), which was bitterly contested, Mr. McIntosh suffered defeat. His successful opponent, John Richard Parish Taylor, candidate of

the Liberal Party, was elected by a majority of 2,023, having polled 4,186 votes.

At the end of June, 1933, there were three constituencies without representation in the Legislature: Estevan, owing to the unseating of Norman McLeod (Liberal); Happyland; by the death of D. M. Strath (Liberal) in May; and The Battlefords: by the death of S. W. Huston (Independent) in the same month. The Estevan vacancy had been caused by the Court of Appeal ruling that Norman McLeod was unlawfully a Member of the Legislature. In December, 1930, a By-Election had been held in the constituency which resulted in the election of Mr. McLeod by a majority of 5 votes. Subsequently, a re-count was made and the Conservative candidate, David McKnight, was shown to have a majority of 14 votes. An appeal on Mr. McLeod's behalf was taken to a judge of the Court of King's Bench who held that Mr. McKnight was the successful candidate by a majority of 13 votes. The appeal was abandoned after hearing and the decision of the district Court Judge, presiding at the re-count, upheld. Mr. McLeod, however, had petitioned the Provincial Legislature, Feb. 9, 1931, to have the count of the returning officer upheld. This was granted and he took his seat in the Legislature the next day. Later, however, Joseph Ford Lamb, a duly qualified petitioner, applied on behalf of Mr. McKnight to have Mr. McLeod unseated. Chief Justice Sir Frederick Haultain handed down a judgment on Aug. 23, 1932, to the effect that 17 persons not entitled to vote had done so in the 1930 By-Election; therefore, the Election was void and Norman L. McLeod, Liberal, had not been elected. On behalf of Mr. McLeod this judgment was appealed: the case was heard and dismissed on Nov. 7.

A Farmer-Labour Party. By a fusion in July, 1932, of the United Farmers of Canada, Saskatchewan Section Limited, who had definitely decided some time before to enter the political field, and the Independent Labour Party, which had been organized in October, 1931, the new Provincial Farmer-Labour Party came into being. M. J. Coldwell, President of the Independent Labour group, was elected Leader. A Regina alderman for ten years and a school teacher, Mr. Coldwell had been active in Labour circles for some time and had been an unsuccessful Progressive candidate for Regina in the Dominion General Election of 1925.

The Saskatchewan Party's platform was frankly Socialistic. At the date of organization they had no representatives in the Legislature. The lining up of the group, apparently in preparation for the next Provincial general election, took place at Saskatoon, July 25-28, 1932, during the holding of separate and united conventions of the United Farmers of Canada (Saskatchewan Section) and the Independent Labour Party. At a joint convention (July 27) their united platform set forth the belief that the capitalistic system was inherently unsound. Socialization of credit and public ownership, development, and operation of utilities and natural resources was one of the main planks, as was security of tenure for the worker in his home and the farmer on his land by substitution of the "use-hold" system for the existing system of private ownership. The change from private to "use-hold" ownership would, in all cases, officers of the new group explained, be voluntary and at the request of the owner of the land or property. Provision to the worker of adequate income and leisure, of insurance against illness, accident, old age and unemployment; the election of all governing bodies by popular vote of resident adults; the economic security of returned soldiers and their dependants; the development of Churchill as a free port of entry for Western Canada; and finally, the encouragement of all co-operative enterprises leading toward the achievement of the co-operative commonwealth, were also among the many resolutions passed by the convention. The name "Farmer-Labour Party" was adopted temporarily and it was decided to recommend to the Meeting of Farmer-Labour forces at Calgary, on Aug. 1, 1932, the name "Socialist Party of Canada" for the Dominion Party. Upon being elected Leader, Mr. Coldwell promised the delegates that he would do every-

thing in his power to reach the objective set by the Farmer and Labour groups, namely, to set up a Co-operative Commonwealth. (See also Sub-Section: United Farmers of Canada; and pages 36-8 and 78-9).

The Saskatchewan Banking Inquiry Commission.

This Commission, appointed by the Saskatchewan Government on Oct. 4, 1932, to inquire into the provisions of the Bank Act and into the banking situation of Canada generally, with a view to sending recommendations to the Federal Government, was composed of ten members, including the Chairman, Peter McAra, Regina, all of whom served without remuneration. The main recommendation of the Report (made public on Aug. 23, 1933) was that favouring the establishment of a central bank, with safeguards from all political interference, which should have the power to issue and control all notes; to regulate foreign exchange rates; to function as a clearing house for the chartered banks and as sole financial agent of the Dominion Government; and to prescribe the maximum rate of interest to be charged by chartered banks. An international revision of the Gold Standard from the standpoint of considering the advantages of having a fluctuating content based on commodity prices was suggested, and the need of enforcing the existing laws regarding the rate of interest charged by the banks, was strongly emphasized.

The 1933 Session of the Legislature

The standing of the Parties at the opening of the Fifth Session of the Seventh Legislative Assembly on Feb. 2, 1933, was: Government, 35 (Conservative, 24; Independent, 6; and Progressive, 5) and Liberal, 27. The Estevan seat, as a result of a Court ruling during Recess, was vacant. A few days later, Charles McIntosh, Liberal Member for Kinistino, carried out his previously announced intention of supporting the Government by crossing the floor of the House. Jacob Benson and E. S. Whatley, two Progressive Members, who, during Recess, had espoused the cause of the new Farmer-Labour group, occupied seats on the Government side on the opening day. Both, in statements later given to the Press, declared their intention of continuing their support on all measures that they considered to be in the interest of the people of Saskatchewan.

The two months' Session was a notable one. Government financial statements showed a Cash Deficit of \$5,820,000 for the fiscal year ended Apr. 30, 1932; and a balanced Budget for the fiscal year 1933-34, with a small Surplus. A Deficit of \$1,000,000 was expected for the fiscal year 1932-33.

Two Special Select Committees, composed of Members representative of all Parties in the House, studied (1) Bill No. 60—An Act respecting the Limitation of Certain Civil Rights and (2) All Questions Relating to the Relief of Agriculture. Two debt adjustment measures were the most important of the Bills passed. Relief legislation ratified Provincial Agreements with the Dominion and Municipalities and provided for the raising, distribution and collection of funds for the relief of unemployment. A Bill, sponsored by Hon. A. C. Stewart, Minister of Highways, which aimed at preventing discrimination in the sale of gasoline, was killed shortly before prorogation. Another Bill which sought to eliminate the necessity

of re-election of a Member upon appointment to the Cabinet, was withdrawn during the last hours of the Session. Several Resolutions received the approval of the House; they offered suggestions as to Dominion and Provincial Government action toward a betterment of the existing trade and financial situation.

The Speech from the Throne, delivered by the Lieutenant-Governor, Hon. Hugh Edwin Munroe, O.B.E., after brief references to the general national and international situation, stated that the Provincial Government had endorsed the calling of a Conference of wheat-growing countries of the World and that they had co-operated with the other two Prairie Provinces in setting up a Wheat Problems Committee. It forecast legislation for the relief of heavily debt-burdened farmers and others in the Province; mentioned the setting up of an organization to assist in developing the Hudson Bay route; and declared that a policy of economy was the aim of the Government.

The Debate on the Motion to Address a Reply to the Speech from the Throne was concluded on Feb. 13, the Motion being adopted without division. The principal speakers were the Liberal Opposition Leader (Mr. Gardiner), and the Prime Minister (Dr. Anderson). Mr. Gardiner demanded that the Government make preparations immediately after the close of the Session for a general election, claiming that the "Co-operative Government" had never had a mandate from the people. He outlined the policies of the Liberal Party: such development of all transportation facilities as was necessary for trade; reduction in cost of Government Services; lowering of interest rates; greater control of credit; security of tenure in homes; insurance against unemployment and weather hazard; medical and educational facilities for the people. He promised co-operation with the Government throughout the Session in measures intended to improve the position of the people, stipulating that the Liberal Opposition reserved the right to criticize where "we think that purpose is not being served. We are prepared to act in committees constituted for the purpose of drafting policies to be presented to this House dealing with matters arising out of the present difficult situation."

The Prime Minister repeated his assertion that there would be no General Election in 1933 unless the Government met defeat during the Session. He thanked the Liberal Leader for his offer of co-operation but he intimated that he would have preferred it to have been given without any bitter insinuation against the Government. He stated that no excuses were necessary from him (the Prime Minister) for existing deficits; they were universal in a world-wide depression. He did not believe that any party, Conservative or Liberal, could provide a remedy for all the ills that beset the Province.

Public Accounts; Estimates for 1933-34; The Budget Speech. A Cash Deficit of \$5,820,289 for the fiscal year ended Apr. 30,

1932, was revealed in the Public Accounts tabled in the House by the Provincial Treasurer, Hon. M. A. MacPherson, on Feb. 4, 1933. It compared with the Deficit of \$3,856,000 for the fiscal year 1930-31. Current Revenue for 1931-32 totalled \$11,902,646, Actual Expenditures were \$17,722,936. Expenditures had been estimated at \$19,369,115; so that economies created during the year had effected a saving of \$1,646,179.

Estimates for 1933-34, tabled in the House on Feb. 22 (1933), showed an Estimated Surplus of \$4,005 as compared with an Estimated Surplus for 1932-33 of \$31,676 and which turned into a Revised Estimated Deficit of \$1,000,000. Total Estimated Revenue for the fiscal year ended Apr. 30, 1934, was \$18,980,720 and Total Estimated Expenditure, \$18,976,715.

Supplementary Estimates for 1932-33, tabled in the Legislature on Mar. 3 (1933), showed a total of \$12,743,118 but \$7,567,920 of this would be reimbursed. Therefore, total appropriation for the Government for 1932-33, including Original and Supplementary Estimates was \$34,670,421 made up of: Total Original Estimates, \$21,927,303 and Supplementary Estimates, \$12,743,118. Deducting \$7,567,920 to be reimbursed by the Dominion Government, Municipalities, etc., there was a Net Estimated Total of Expenditures of \$27,102,501 for 1932-33. A Revised Estimated Deficit in Revenue Account of \$1,000,000 was shown for 1932-33.

In his Budget Speech on Feb. 23, 1933, the Provincial Treasurer (Mr. MacPherson) reviewed the Provincial economic situation. He expressed the hope that Controllable Expenditure for the year 1932-33 would not exceed \$5,300,000 of the Total Estimated Expenditure. He stated that the Public Debt of Saskatchewan at Dec. 31, 1932, was \$137,819,430; that it had increased \$14,846,168 in one year: of this amount, \$11,813,481 was chargeable to Relief Account; \$66,495 to Farm Loans; \$614,000 to Revenue Loans and Bank Overdrafts; \$59,316 to Public Buildings; \$1,463,700 to Highways; \$149,000 to Telephones; \$416,600 to the Power Commission; \$175,000 to the Wheat Pool Guarantee; \$31,600 to Natural Resources (largely Land Settlement); \$37,333 to Deferred Charges, and \$13,000 to the Cancer Commission.

The general value of the Sinking Fund as at Apr. 30, 1932, was, Mr. MacPherson stated, \$3,929,669; and he enumerated the following Bond Issues as having been sold during the fiscal year 1931-32:

\$4,000,000,	at 91.45 per cent.,	effective rate 6.79
\$1,980,000,	at 95.75 per cent.,	effective rate 6.38
\$2,000,000,	at 96.07 per cent.,	effective rate 6.35
\$2,500,000,	at 94.25 per cent.,	effective rate 5.99
\$2,000,000,	at 95.00 per cent.,	effective rate 5.93
\$ 175,000,	at 98.00 per cent.,	effective rate 4.655

A maturity of one and a half million dollars due on Sept. 1, 1932, had been taken care of out of the proceeds of these issues. During 1933 and 1934 there would be no maturities to look after, the Provincial Treasurer explained.

Provincial Liability to the Banks with respect to advances to the municipalities at Aug. 31, 1931, was \$5,426,026; at Jan. 31, 1933, it had been reduced to \$4,555,197.

Referring to the Saskatchewan Co-operative Creameries, the financial situation of which had necessitated the appointment by the Court in February, 1932, of a Receiver and Manager, Mr. MacPherson stated that at the end of twelve months' period of operations—at Jan. 31, 1933—there were no loans outstanding; that there was a credit balance in the bank of \$35,000; and that the only liabilities were those of current trade. The Depreciation Reserve amounted to \$102,000 at the end of the year, while the operating profit for the year was \$28,000. The indebtedness to the Bank, however, with respect to Creamery advances extending over a number of years, amounted to \$1,344,997.

Relief expenditure, which included, in addition to that of the Relief Commission, relief roadwork, municipal public works and municipal direct relief, as well as more minor items, such as the question of freight on fodder

and assistance through the Canadian Red Cross, showed a net cash increase to the Provincial Treasury of \$12,780,635 during the period from Apr. 30, 1931 to Apr. 30, 1932, and a further increase of \$6,133,635 during the period from Apr. 30, 1932, to Jan. 31, 1933.

After a Budget Debate lasting until Mar. 7, the Motion that the House resolve itself into Supply was passed on division, 32 to 22. A Liberal Amendment proposed by J. M. Urich (Rosthern) and seconded by B. F. McGregor (Gravelbourg) had been negatived on a vote of 24 to 32. It condemned "the effort of the Government to mislead the public regarding the financial situation of the Province by capitalizing expenditures which should be charged to Revenue Account, and over-estimating from year to year the Revenues which have been or can be collected." The Opposition Leader (Mr. Gardiner) in Debate, claimed that \$1,500,000 spent on road construction in 1931-32 should have been paid out of Revenue; that if this had been done the Deficit for 1931-32 would have been \$7,300,000 instead of \$5,820,000 as shown in the Public Accounts. His charge that the Government maintained a political machine through the Relief Commission, was submitted to the Public Accounts Committee of the Legislature for investigation; their Report, submitted to the House on Mar. 29, 1933, was an endorsement of the administration of the Commission.

Legislation of the 1933 Session. Before prorogation of the Saskatchewan Legislature on Mar. 30, eighty-nine Bills received the Royal Assent. The most outstanding legislation of the Session, after the measure providing for Public Service expenditure, were two debt adjustment enactments: The Limitations of Certain Civil Rights Act and The Debt Adjustment Act of 1933.

The Civil Rights Act gave the vendor of an article sold for over \$100 in instalments, the right to repossession only; an exception was made for binders. If the article's selling price was \$100 or less, the vendor might repossess and also sue for unpaid purchase price. Crop payments were limited to one-third share out of which the vendor would have to pay current taxes. He could, with the consent of the Debt Adjustment Board, take one-half the crop when seed or twine were advanced. Judgment summons was suspended by the Act.

The Debt Adjustment Act, 1933, was wider in scope than the Act of 1932; it was available not only to farmers, house-owners and retail merchants but to every resident in Saskatchewan. It gave large protection to debtors; before commencing legal proceedings the creditor would have to obtain permission of the Debt Adjustment Board which had power of an agent to bring about an amicable arrangement and it could enforce the terms of any such settlement as well as issue the permit to allow action. The Board had no power to enforce arbitrarily a scaling down of the debt nor of the interest rates. The personnel of the Board was announced (May 2, 1933) after the close of the Session: A. T. Howie (Chairman), Thomas Graham and Austin Needham.

The Tax Arrears Consolidation Act provided for the consolidation of the total arrears of taxes on the tax roll of a municipality or local improvement district as at Jan. 1, 1933, and remaining unpaid at the date on which the agreement was entered into, together with all penalties and interest imposed, or accruing up to Sept. 1, 1933. The amount consolidated under the agreement was to be due and payable as follows: 10 per cent. at the time of execution of the agreement; 10 per cent. on or before Dec. 31, 1934; 15 per cent. on or before Dec. 31, 1935; 20 per cent. on or before Dec. 31, 1936; 20 per cent. on or before Dec. 31, 1937 and 25 per cent. on or before Dec. 31, 1938; together with interest on the amount consolidated at the rate of 5 per cent. *per annum*, to be computed from Sept. 1, 1933, but providing that no interest would be charged on the first instalment. Discounts were to be allowed on payments made earlier than the above-mentioned dates.

An Act was passed ratifying the Provincial Agreement with the Dominion Government, made on June 6, 1932, whereby the latter would contribute one-third of an amount not to exceed \$600 per family for means of settlement on a farm, the Province and the Municipality concerned paying the balance. Selected families were to be those who would otherwise be on relief. An Amendment to the Relief Act of 1932 provided for the raising of money by cities for relief work. An Act respecting the Relief of Distress and Unemployment (The Relief Act, 1933) permitted (1) the Province of Saskatchewan to enter into agreements with the Dominion Government and cities, towns and villages of Saskatchewan for the purposes of relief of unemployed persons and (2) cities, towns and villages to enter into agreements with the Province. It also provided for the raising of money for relief purposes. An Act respecting the granting of Relief in Rural Municipalities gave power to the latter to enter agreements with the Saskatchewan Relief Commission; permitted the municipalities to borrow money for advances for relief, for the expenditure of sums for the same purpose and for the collection of sums advanced.

An Act Respecting the Postponement of Issue of Certificate of Title to Land Sold for Taxes which extended the time for application for title in certain cases to June 30, 1934, was another Act affecting debtors. An Amendment to the Farm Loans Act had a similar purpose in that it gave power to the Farm Loan Board to "make such settlement by way of compromise with any of its debtors as it deems advisable"; it might make advances to or on behalf of its mortgagors for binder twine or any incidental harvesting expenses and charge the amount thereof to the mortgage account.

An Act provided compensation to employees of the Civil Service whose services were dispensed with; other clauses provided for reappointment, payments to dependants, etc. All expenditures for this purpose were a charge upon and taken out of the Consolidation Fund, until the former employees receiving such sums reached the age at which they would be eligible for retirement, then payments were to be taken out of the Superannuation Fund.

The Marriage Act, 1933, specified the usual regulations attending the administration of the Act, the solemnization of marriage, registration of clergymen and other items. There were several new clauses. One was the necessity for the male party to the marriage ceremony to provide a health certificate properly signed by a medical practitioner.

Acts respecting the Saskatchewan Co-operative Creameries, Limited, and the Saskatchewan Co-operative Elevator Company arranged for the winding up of these Companies.

Other Measures of the Session receiving the Royal Assent were in the interests of Agriculture, Highways and Roads, Labour, Health and School Services of the Province.

A Bill to amend the Legislative Assembly Act was withdrawn; it was the only one to meet such a fate on the last day of the Session.

Other Sessional Affairs. Several Resolutions dealing with national finance received the approval of the House during the Session. One called upon the Saskatchewan Government to co-operate with other Provincial Governments and with the Dominion Government in an effort to reduce substantially, by conversion or otherwise, the interest rate on all bonds and bond guarantees—whether Dominion or Provincial. A second Resolution suggested that the Banking Committee of Parliament be urged to deal with the problem of lowered interest rates. A third favoured, in the next revision of the Bank Act, provision for the issuance of currency and the control of credit by the State. Nationalization of the manufacture of arms and ammunition in order to prevent propaganda *re* War was embodied in another Resolution and approved by the Members after a short Debate.

A number of Resolutions receiving endorsement had reference to trade. One called for the setting up of a Branch of the Dominion Public Service to

investigate rail, marine and insurance rates with the object of promoting Port Churchill shipping and trade. Another favoured Dominion Government assistance to the development of trade between Canada and other countries, especially with regard to Canada's supplying Russia with wheat and cattle. A third Resolution, proposed by C. M. Dunn (Lib., Pheasant Hills) and which condemned the "tariff and trade restrictions policies of the present Federal Government" and other policies of Mr. Bennett (Prime Minister of Canada), was so altered by Amendments as to become an entirely new Resolution before being passed. As amended, the Resolution, after mentioning the difficulty experienced by the Province in getting its products into certain countries owing to the extreme tariffs in their fiscal policies and to the anticipated advantages accruing from the Empire trade Agreements and from a possible trade agreement with the United States, suggested that the Dominion Government enter into trade agreements with other countries, keeping in mind the necessity of a market for Canadian agricultural produce.

A Resolution calling for re-organization of the entire medical service of Saskatchewan received unanimous endorsement on Mar. 16.

The Report of the Select Special Committee appointed to study questions relating to the relief of agriculture was presented to the Legislature on Mar. 28. Owing to the limited time left for Debate on the many items recommended it was decided to refer the Report to the Government for consideration. The Report recommended that the Provincial Government should urge the Dominion Government to take favourable action in regard to the following matters: the establishment of a national marketing board; the payment of a bonus on all wheat produced in Canada, by placing a pegged price on all wheat used for domestic consumption; the placing of a bounty on exportable surpluses of bacon and butter to be paid out of a tax on creamery butter and bacon produced in Canada; investigation into prices of farm produce and farm supplies; international action to improve wheat statistics; renewal of Federal grants for agricultural instruction. Other recommendations included: a feeding-in-transit freight rate on cattle; the lowering of the domestic freight rates on coarse grains; transfer of settlers from non-suitable areas; consolidation of Government taxes and rentals in grazing lands; creation of a system of local agricultural representatives; and development of the horse-breeding industry.

Education; and Other Departmental Reports

A decrease of over \$4,000,000 from the previous year in both receipts and expenditures was announced in the Annual Report of the Department of Education covering the calendar year 1931. Proceeds from taxes declined \$2,500,000 while debenture issues decreased by more than \$1,000,000. The credit balance carried over from the preceding year was \$600,000 less than in 1930. Elementary schools in operation during the fiscal year ended June 30, 1931, numbered 4,777, with an enrolled attendance of 221,556. The total number of school districts in existence at Dec. 31, 1931, was 4,979. There were 11 collegiate institutes and 8 high schools in operation during the school year, employing 248 teachers and with an enrolment of 8,942. Pupils enrolled in day vocational schools totalled 1,379 and in evening classes, 1,908. Certificates issued to teachers during 1931 numbered 2,661, as compared with 3,296 the previous year. The immeasurable value of the Government Correspondence School during the prevailing economic depression was evident from the increase from 4,947 in the year 1930-31 to 9,206 in 1931-32 in the number of students in attendance at rural schools and receiving instruction from the Correspondence School in the work of Grades IX, X, and XI. The number receiving full instruction in these Grades was 1,162, as compared with 803 in 1930-31. The Report stated that the new Public School Curriculum and Teachers' Guide introduced in September, 1931, had met with an enthusiastic reception from most of the teachers and that improvements were even then noticeable.

The assumption of final control of expenditures for school districts by the municipal councils met with strong disapproval from the President of the Saskatchewan School Trustees' Association, R. H. Heane, in his address to the Annual Convention of that body on Feb. 14, 1933. "School financing is our problem . . . We, as trustees, are responsible for the business management of the schools . . . We are better informed as to the requirements of the school district." The Finance Committee of the Association submitted recommendations to the Government urging a uniform education tax of four mills on the dollar based on a more equitable assessment, the temporary closing of all normal schools and the establishment of a minimum salary of \$700 for teachers.

The University of Saskatchewan reported an enrolment in regular Winter courses of 1,644; in Summer school, night classes and correspondence courses, 1,050; in short courses, 492; and in University Extension activities in Agriculture and for the Homemakers Clubs, 37,000. Degrees conferred at Convocation in May, 1933, numbered 235, and at the same ceremony Rev. A. G. Morice, O.M.I., M.A., was the recipient of the honorary degree of "LL.D."

Public Health. The sum of \$1,092,554 or a *per capita* expenditure of \$1.12, was spent during the fiscal year ended Apr. 30, 1933, by the Department of Public Health under the administration of Hon. F. D. Munroe. Of this amount \$594,536 was paid in hospital grants and \$285,071 was spent in the maintenance of two mental hospitals and a psychopathic ward. Two cancer clinics were also administered as a branch of the Department.

The Division of Public Health Nursing, with 12 nurses, carried on its usual generalized public health programme in 1932: visited a total number of 495 schools; inspected 15,055 pupils; held 21 infant and pre-school health conferences where 536 children were examined by a doctor; organized 146 weighing centres with an attendance of 1,504; made 5,740 home visits in connection with pre-natal, infant and school cases, and gave 35,197 treatments for trachoma. 3,284 layettes were sent to indigent expectant mothers.

Hospitals in the Province receiving Government aid in 1932 numbered 66, including three *sanatoria* for the treatment of tuberculosis. The aggregate number of beds was 3,967, while there were 850 beds reserved for tubercular patients and 288 for isolation purposes. Saskatchewan had one hospital bed for every 244.8 of its population. A total of 55,249 people or 5.7 per cent. of the population received treatment in hospital for 919,166 days. An investment of \$9,566,207 was represented in hospital buildings and equipment.

The Division of Sanitation reported 11,540 inspections during 1932. There were 17 certificates issued during the year, authorizing the construction and extension of waterworks systems, which represented an expenditure of \$450,033, and 18 certificates authorizing extension to existing sewerage systems and sewage disposal plants, which represented an expenditure of \$406,568. Semi-urban and rural water supplies investigated numbered 1,986; inspections of milk supplies, 1,619; and of food supplies, 1,491.

The cost of free distribution of biological products to physicians and hospitals amounted to \$13,140 in 1932. A total number of 33,460 examinations, representing a commercial value of \$121,528, was performed by the Provincial Laboratory. Treatment was provided for 3,056 patients by the two mental hospitals during the year, while the psychopathic ward admitted 215 patients.

The Saskatchewan Cancer Commission stated that the facilities of the two consultative diagnostic and treatment clinics at Regina and Saskatoon had been increasingly taxed during the year 1932. In the first year of operation 500 patients were admitted to these clinics for consultation, 343 of whom were declared to be malignant cases, and 84 of whom subsequently died. Of the total, males numbered 175 and females, 168. A competent radio-therapist had been appointed by the Commission to each clinic, who, in addition to acting on the consultation service, directed the application of radium and high-voltage X-ray therapy. The latter was applied by the radiological department of each hospital.

The Annual Report of the Bureau of Child Protection for the fiscal year ended Apr. 30, 1932, showed that there were 838 children placed in foster homes, while the number of wards was 1,365. 201 wards were legally adopted and the Bureau also effected 86 straight adoptions. There were 40 mental defectives under the care of the Bureau during the year. At Apr. 30, 1932, the number of mothers receiving allowances under the Mothers' Allowance Act was 1,691 as compared with 1,633 at the same date the previous year, while the amount paid during the year was \$483,618 as compared with \$544,250 in 1930-31.

The Old Age Pensions Branch reported a total number of 7,588 persons in receipt of old age pensions during the period under review, an increase over the previous year of 1,361. The amount paid in pensions totalled \$1,679,494, as compared with \$1,302,727 in 1930-31.

Railways, Labour and Industries. The Report of the Department of Railways, Labour and Industries (Minister, Hon. J. A. Merkley) for the fiscal year ended Apr. 30, 1932, recorded five industrial disputes during that period, affecting 26 employers, 744 employees and entailing a loss of 6,746 working days. Eleven meetings were held by the Minimum Wage Board and 955 businesses inspected in 1931-32. A decrease of 412 was reported in the number of females employed in shops and stores, of 51 in laundries and factories, and of 136 in mail order houses, while there was an increase of 163 in hotels and restaurants, and of 7 in beauty parlours. A total of 28,918 placements were made by the Employment Service Branch during the year under review, as compared with 41,383 in 1930-31.

Railway mileage in operation in the Province at Jan. 1, 1932, totalled 8,689 miles of which the Canadian Pacific owned 4,414 miles and the Canadian National, 4,275 miles. Improvement in the lumber industry was indicated in the increased production of 1930-31, which amounted to 67,912,487 ft.b.m. with a value of \$1,224,000, as against 90,764,000 ft.b.m., with a value of \$1,815,280, produced in 1929-30. Pelts of fur-bearing animals taken during 1931-32 numbered 587,942, as compared with 610,478 in the previous year. Royalties collected during the year under review, however, totalled \$44,061, an increase of \$7,269. Fur production from private fur farms showed an increase, the 1931-32 total being 5,554 pelts, as compared with 3,760. Mineral production in 1931 was valued at \$2,114,372.

Under the Dominion Unemployment and Farm Relief Act, 1931, the sum of \$5,349,442 was spent in Saskatchewan, in Provincial and municipal undertakings, during the fiscal year 1931-32; of this, \$913,247 was assumed by the municipalities, \$1,961,398 by the Province and \$2,474,798 by the Dominion. The cost of Provincial public works amounted to \$2,495,879; Provincial highways and main market roads, affording employment to 2,729 persons, involved an expenditure of \$1,779,155; the farm labour relief scheme (Winter), by means of which 7,937 men were placed in employment with 5,909 farmers, a total cost of \$282,190; and the operation of 23 work camps for the single unemployed, an outlay of \$434,706. Municipal public works provided employment for 7,125 men to the extent of 260,213 man-days' work, expenditure for which amounted to \$1,766,243. Direct relief was given by the municipalities to 52,386 persons to the amount of \$1,087,168.

The Workmen's Compensation Board in its Third Annual Report estimated the total receipts for the calendar year 1932 as \$450,873, and total disbursements, including estimate for outstanding claims, \$415,671, leaving a surplus of \$35,202, as compared with that of \$128,442 recorded for the previous year. The 1932 provisional payroll showed a decrease from the adjusted one of 1931 of \$9,797,059. Employers making returns to the Board for 1932 numbered 4,899. The amount expended in compensation was \$147,821, in pensions, \$20,012, and in medical aid, \$73,398.

Public Works and Highways. The Annual Report of the Department of Public Works for the financial year ended Apr. 30, 1932, stated

that no construction of any great magnitude had been undertaken during that period owing to the need of curtailing expenditures. The total amount spent was \$1,374,023, of which \$1,127,651 was for maintenance of public buildings, a reduction of \$156,819 from the amount expended on the same services in the preceding year. The amount expended and chargeable to capital totalled \$196,056. The population of the eight institutions under the control of the Department was 3,029 as compared with 2,954 in 1930-31.

A marked increase in 1931-32 in the number of passenger and freight routes operated under the Public Vehicles Act was noted in the Annual Report of the Department of Highways covering the year ended Apr. 30, 1932. There were 28 licensed passenger routes operating 42 vehicles and 93 freight routes operating 110 trucks during that period, as compared with 14 passenger routes operating 18 vehicles and 20 freight routes operating 29 trucks in the previous year. Licences issued during the calendar year 1931 included the following: motor, 91,276; truck, 15,678; chauffeur, 1,630; trailer, 1,107; and operators, 137,365 (no charge was made for 104,517 of these). Revenue derived from motor licences and other fees during the fiscal year 1931-32 totalled \$1,066,744, a decrease from that of the previous year of \$820,478. The gross gasoline tax received amounted to \$2,050,531, as compared with \$4,025,170 in 1930-31. Gasoline sales showed a decline of approximately 36 per cent. due to the operation of fewer motor vehicles, decreased purchases for tractor use, and the purchase of distillate and Turner Valley naphtha in Alberta by many residents of the middle west section of the Province. A total of 49,449,698 gallons was consumed during the calendar year 1931, as against 76,630,024 gallons in the preceding year. The Construction Branch reported that there were 7,636.5 miles of Provincial highways at Apr. 30, 1932, 1,099 miles of which were constructed in 1931-32. 341.6 miles were reconstructed and 207.8 miles received new gravel surfacing. The amount thus expended totalled \$4,381,078, while there was an additional sum of \$306,103 spent on secondary highways and colonization roads.

Natural Resources. In submitting his Report, covering the year ended Apr. 30, 1932 (the first complete fiscal year since the Department came into operation), to Hon. J. T. M. Anderson, Minister of Natural Resources, the Deputy Minister, John Barnett, deplored the fact that the Department had been called upon to act, to a great extent, in the capacity of a relief organization. He maintained that the utilization in this way, by means of the free disposal of the various resources, of what was essentially a revenue department, was a great mistake, resulting as it did, not only in seriously diminished sales, but also in the loss of a large volume of revenue from commercial operators.

Land settlement parcels of land disposed of during the year under review numbered 3,626, comprising 580,160 acres; pasture land, 240 parcels containing 38,400 acres; and partial areas, 85 parcels of 4,641 acres. The hopeless condition of many of the 8,000 school land contracts which had been turned over to the Province by the Dominion at the time of the transfer of the Resources, was emphasized by the Report. It was found necessary to cancel or quit-claim 545 of these accounts, covering an acreage of 85,928 acres and involving the writing-off of a total of \$2,388,977. It was expected that further large write-offs would have to be made in future years. Under the provisions of the Land Settlement Act, 1931, certificates were issued to 366 families for establishment on the land, out of a total of 853 applications made. Advances made to settlers to the amount of \$25,094 during the period under review, were more than covered by the improvements erected by the latter, totalling \$52,086.

The Forestry Branch reported a considerable decrease in the cut and sale of timber products for the year. Timber production totalled 55,430,179 ft.b.m. and revenue collected, \$156,974. No new licensed berths were sold and railway tie operations were materially reduced. At Apr. 30, 1932, the total acreage of Provincial forests and parks was 6,035,013. The commercial pro-

duction of fish in 1931-32, showing an approximate decrease of one-third over that of the previous year, totalled 4,089,000 lb., with a value to fishermen of \$128,135, and a market value of \$219,921—a decrease of 50 per cent. from the 1930-31 amounts. There were 623 commercial fishermen operating, 155 less than in 1930-31.

Receipts of the Department for the year under review amounted to \$524,760 and expenditures, to \$465,818, leaving a surplus of \$58,943. There was an additional sum of \$57,843, made up of school lands receipts other than principal and transferred from the collections of the Department to the Treasury Department. After deducting capital expenditures of \$48,282, there still remained a surplus of over \$10,000.

Power Commission; Liquor Board. The Saskatchewan Power Commission (Chairman, L. A. Thornton) in 1932 owned and operated 1,321.5 miles of transmission line, mostly 13,200 volt and the distribution systems in approximately 120 towns and villages. The generating plants of the Commission had a total installed capacity of 27,385 k.w. According to the Annual Report covering the calendar year 1932, the total quantity of electrical energy generated at the plants during that period was 46,426,171 k.w.h. and the total quantity purchased from other sources, 1,803,503 k.w.h. There was a net loss for the year of \$50,979, after providing the sum of \$132,217 (operating profit) for depreciation and replacement reserves. Revenue for the year amounted to \$1,162,023, an increase of \$65,901 over that of the previous year. Inspections made under the Electrical Licensing Act numbered 9,385, and licences were issued as follows: contractors'—permits, 219 and licences, 79; journeymen's, 148; electricians', 38, and supply house, 6.

The closing of 41 beer stores, necessitated by unfavourable economic conditions, was recorded in the 7th Annual Report for the year ended Mar. 31, 1932, of the Liquor Board of the Province. Banquet permits issued during the year numbered 261; special quantity permits, 934; general liquor permits, 9,352; and single purchase permits, 46,898. The two latter classes were discontinued after Nov. 15, 1931. The total income of the Board for the year was \$5,802,838, as compared with \$9,205,266 in 1930-31. In spite of this reduction, however, there was a profit of \$843,417 carried to the Balance Sheet. Expenditures included \$3,197,044 for purchases; \$658,227 for store expenses; \$76,837 for warehouse expenses; and \$160,552 for administration and supervision.

The Local Government Board. Difficulty was again experienced by some of the local authorities in securing sufficient funds wherewith to meet all maturing obligations as they fell due, according to the Annual Report of the Local Government Board for the year ended Dec. 31, 1932. Payments of debenture coupons were thus delayed in many instances, the absence of cash resulting, it was stated, more from the low prices offered for grains and other farm commodities than from crop failure. Although the number of applications had not been as great as in some years during the previous decade, the duties of the Board had increased along certain lines of activity, owing to the exceptional conditions, particularly that of the need of Unemployment Relief, existing during the year.

The Board authorized the issue of debentures to the value of \$1,015,170, a decrease from the previous year's figure of \$1,907,317. Of the 1932 amount, \$964,518 was for cities; \$16,026 for towns; \$2,500 for villages; \$28,525 for school districts and \$3,600 for rural telephone companies.

Municipal Affairs. An even more marked decrease in tax collections than in the previous year was reported for the fiscal year ended Apr. 30, 1932, by the Department of Municipal Affairs. Rural municipalities showed a reduction from 41.55 per cent. in 1930 to 31.17 in 1931; villages from 59.31 per cent. to 52.35 per cent.; towns, from 57.36 to 52.11 per cent.

and cities, from 71.68 to 64.46 per cent. The combined total of arrears of taxes and tax sales due to municipalities at the close of 1931 was almost \$39,000,000 as compared with \$23,000,000 in 1922. Bank loans showed an increase of 50 per cent. above the total due in 1930, although there was a decrease in those of villages and towns. Owing to economies in expenditure, it was stated that surpluses of assets over liabilities had remained substantial, and had actually increased in rural municipalities, where, at the end of 1931, the total surplus was sufficient to absorb over 50 per cent. of uncollected arrears and tax sale holdings.

The adoption of the name of Saskatchewan Urban Municipalities Association in place of that of the Union of Saskatchewan Municipalities was a feature of the Annual Convention of that body on June 21 and 22, 1933. Resolutions were passed urging the assessment and proper municipal taxation of Government liquor stores; the withdrawal by the Dominion Government from the field of direct taxation and the abolition of the Dominion Income Tax; the assumption by the Dominion Government of the responsibility for poor relief; the taxation for school purposes of summer resort villages; the reduction of interest rates throughout the country; and the assignment by the Provincial Government of a portion of the gasoline tax to the urban municipalities, to assist in maintaining the streets. D. Bannatyne, Estevan, was elected President of the Association for the year 1933-34, and W. E. Hodge, Moose Jaw, Secretary-Treasurer.

An increase in paid-up membership from 266 in 1931 to 278 in 1932 was reported by the Executive of the Saskatchewan Association of Rural Municipalities at the Annual Meeting held Mar. 1-3, 1933. In spite of the fact that no Government grant was received during the year, a surplus of \$47,575 was shown at Dec. 31, 1932, an increase of \$990 over that of the previous year. Resolutions were passed by the Convention concerning tax collections, discounts and penalties, municipal aid and relief, medical care and hospitalization of indigents, auto licences and gas tax, and financial matters, such as the advisability of increasing the Government grant to schools, the further reduction of relief interest charges by banks, and also of interest on other moneys which the municipalities found it necessary to borrow, and the temporary exemption from foreclosure of the land of actual resident farmers. Officers elected for 1933-34 included G. H. Hummel, Nokomis, President, and J. J. McGurran, Secretary-Treasurer.

Agriculture: Departmental and Other Reports

An increasingly inadequate revenue for the farmer was again the most prominent feature of agriculture in 1932, according to the *Guide to Saskatchewan Agriculture, 1933*, issued by the Saskatchewan Advisory Committee on Agricultural Services. The 1932 wheat crop of the Province had a value amounting to one-quarter of that of 1928, and the interest due on the total farm debt was equal to two-thirds of all wheat available for sale from the 1932 crop. Contrasted with the severe drought of 1931 the moderate harvest reaped in some parts of Southern Saskatchewan was considered very satisfactory, but further relief was necessary over a large area where crops again failed. The general outlook for agriculture for the ensuing year (1933) was declared to be considerably more favourable, with the possibility of a rise in wheat, hog, poultry and horse prices. Low prices for dairy products, sheep and wool and beef cattle were expected to continue.

Live stock statistics for 1932, as supplied by the Provincial Department of Agriculture, were as follows: horses, 963,000; cattle, 1,327,600; sheep, 313,700; swine, 898,000; and poultry, 11,603,200.

The following table, prepared by the Dominion Bureau of Statistics, gives the final estimate of the area, yield and value of the principal field crops in the Province in 1932, as compared with the 1931 figures:

	Area Acres	1931 Total Yield Bush.	Total Value \$	Area Acres	1932 Total Yield Bush.	Total Value \$
Spring Wheat	14,961,000	132,466,000	50,337,000	15,543,000	202,000,000	60,600,000
Oats	4,368,735	67,700,000	12,186,000	4,364,700	107,400,000	11,814,000
Barley	1,366,092	14,340,000	3,011,000	1,329,500	23,400,000	3,042,000
All Rye	510,562	2,396,000	552,000	482,500	5,190,000	727,000
Peas	400	2,400	2,400	500	5,500	3,300
Beans	100	600	700	100	900	600
Mixed Grains	20,165	242,000	46,000	20,800	349,000	38,000
Flaxseed	492,168	1,820,000	1,401,000	381,200	1,980,000	990,000
		cwt.			cwt.	
Potatoes	41,732	2,420,000	1,234,000	44,000	2,948,000	1,474,000
Turnips, etc.	1,150	49,000	27,000	2,100	151,000	76,000
		tons			tons	
Hay and Clover.....	171,538	201,000	1,427,000	150,000	219,000	1,038,000
Alfalfa	6,900	9,000	81,000	9,400	23,000	184,000
Fodder Corn	5,700	9,000	42,000	6,100	15,000	60,000

NOTE.—For field crops statistics for 1933 see Section on Industries (Agriculture).

The Dairy Commissioner reported a comparatively high dairy production for the calendar year 1932, although creamery butter showed a decrease of 5.7 per cent. from the previous year. It was estimated that the decline in the total value of dairy production, due to the lower prices prevailing for dairy products, was approximately \$2,000,000, the total for 1932 being \$14,000,000.

Eight loans, amounting to \$14,743, were made by the Saskatchewan Farm Loan Board during the year ended Dec. 31, 1932, according to their Annual Report covering that period. This brought the total since the inception of the Board to 6,588 loans totalling \$17,103,895. In addition there were 141 accepted applications awaiting disbursement; 838 accepted applications representing \$2,148,400, the loans to be completed when the necessary funds became available; 411 applications ready for submission to the Board; and 2,579 applications for loans in hand awaiting inspection. Interest earnings for the year amounted to \$998,767, but it was reported that collections had again been discouraging owing to the continued drought conditions existing throughout the Southern part of the Province, and to the low prices of farm products generally.

The Annual Meeting of the Saskatchewan Poultry Pool was held in Regina, on Mar. 1, 1933. An increase of 400 members was reported for the year, making a total membership of 7,747, of which number 6,734 were producers and 1,013 were merchants. Carloads of eggs marketed during the year numbered 201, the approximate value of which was \$273,000. The Association handled 147,000 lb. of live poultry, valued at \$11,300 and 1,241,558 lb. of dressed poultry, valued at \$96,163.

The United Farmers of Canada, Saskatchewan Section, Limited. The highlight of the activities of the United Farmers of Canada, Saskatchewan Section, Limited, in 1932, was their definite alliance with the Independent Labour Party, following the initiation of partial measures toward this objective, extending over the previous two years. The Convention of the two organizations held, July 27, subsequent to a general Meeting of the United Farmers, laid down their joint economic platform and decided upon the adoption of the title of "Farmer-Labour Party". The United Farmers, however, resolved against incorporation as a political association, principally on account of their financial difficulties, which somewhat limited the sphere of their activity. The joint platform, based on the belief that "social ownership and co-operative production for use is the only sound economic system", had as its main planks the socialization of banking, credit and finance; the public ownership, development, operation and control of utilities and natural resources; the substitution of the use-hold system of tenure for private ownership; negotiation with all exporting nations with a view to fostering the free

exchange of commodities; and the equalization of educational opportunities and costs. M. J. Coldwell was chosen Leader of the new Party, and the Directive Board included the Executives of the two bodies.

The problem of organization finances was the principal subject under discussion at the Meeting of the United Farmers referred to above, on July 25 and 26—the second general Convention to be held in 1932. Faced with the necessity of winding up, if funds could not be provided, it was finally resolved to project an Acre Fund Campaign, whereby the proceeds of one acre of grain would be contributed to the cause by both members and non-members; other means of raising finances were also determined upon. Active protection by local lodges against seizures, evictions and forced sales of homes, was urged in one of the resolutions receiving the support of the Convention, and credit for twine to needy farmers in another. The Executive of the previous year was re-elected for 1932-33.

In his Presidential Address to the 1933 Annual Convention, held July 4-6, A. J. Macauley uttered a word of warning with regard to the possibility that Fascism might be the next step to be advocated by the capitalists of the Dominion. He affirmed that both the Federal and Provincial Prime Ministers were to be criticized for their failure to fulfil their pre-election pledges to forestall the serious condition that had crept upon civilization. The attention of the Meeting was mainly concentrated upon relief and debt adjustment problems. Security of tenure for the farmer was again one of the most insistent demands of the organization. Other resolutions passed urged: a Province-wide investigation of the need for continued relief and of relief administration by a commission on which the U.F.C. would have representation; the institution of a general moratorium; the formation of local municipal debt adjustment committees; and increased taxation on higher incomes to meet the cost of maintenance of social services. With regard to their own finances, it was decided to ask assistance from the various co-operative bodies, of whom the U.F.C. was the parent institution, and also to continue the Acre Fund Campaign. J. F. Herman, Rocanville, was elected President for the ensuing year, by acclamation; George Bickerton, Neola, Vice-President, and Mrs. S. Dixon, Unity, President of the Women's Section.

The Saskatchewan Wheat Pool. The idea of establishing a National Wheat Board, operations to commence with the marketing of the 1933 crop, and of utilizing, at the same time, facilities of existing co-operative organizations to the fullest extent, received the unanimous support of the delegates to the Annual Meeting of the Saskatchewan Co-operative Wheat Producers Limited held Nov. 7-10, 1932. Other resolutions passed, some of which were contingent upon the above proposal, recommended the resumption for a year, following the expiration in July, 1933, of the existing five-year contract, of the same operating policy; a fixed price on wheat for domestic consumption, to be set for the next crop; the treatment of the 1929 overpayment on an individual basis, but by a more simplified method than that approved in July, 1931; continued efforts toward the promotion of an international conference of the principal wheat-exporting countries; the initiation of free freight on coarse grains to the areas of southern Saskatchewan where feed was urgently needed; and further reductions in Great Lakes freight rates on grain to conform with the marked drop in wheat prices. Consideration of the question as to whether or not the Pool should proceed with its efforts to secure authority to sell bulk commodities other than grain, was deferred until the 1934 Annual Meeting.

The Directors' Report, presented to the Meeting, gave the total assets of the entire Pool organization at Sept. 30, 1932, as \$23,326,541, and total direct liabilities as \$15,664,483, leaving a growers' equity of \$7,662,058. Direct liabilities of Saskatchewan Pool Elevators Limited were reduced by \$445,468 (representing the amount of the capital payment to the liquidator of the Saskatchewan Co-operative Elevator Company). Depreciation reserve was

increased from \$4,923,255 to \$6,148,809 and the operating reserve from \$2,671,412 to \$3,059,420. Liquid working capital stood at \$3,624,731, showing an increase of \$458,531 over the statement for 1930-31. The total handling of all grains by Pool Elevators Limited amounted to 56,671,868 bushels for the year ended July 31, 1932, as compared with 85,966,655 bushels the previous season. Approximately 40.56 per cent. of all wheat marketed in the Province during the season 1931-32, was handled by the System. The initial payment on the 1931-32 Pool was fixed at 35 cents per bushel, basis One Northern, Fort William. In spite of the fact that the year under review was started with practically no cash circulation, the *Western Producer* at its close was able to report a paid-up subscription list in excess of 48,000, achieved for the most part by a drastic reduction in the subscription price.

Officers and Directors for 1932-33 were elected as follows: President, L. C. Brouillette, Regina; Vice-President, J. H. Wesson, Maidstone; and Executive Committee, A. F. Sproule, L. Widdup and Brooks Catton.

The demand for a national marketing agency was strongly reiterated by the Pool in official statements issued following a spectacular wheat price fall in December, 1932, brought about by the sale in one day on the Winnipeg Grain Exchange of between 3,000,000 and 4,000,000 bushels of wheat, belonging to Western growers, under stop-loss orders. In refutation of the criticism subsequently put forth by the Exchange that the situation was due to the accumulation of a world wheat surplus owing to the policies pursued by the Wheat Pools and by the Federal Farm Board in the United States, which were the prime agencies, the Wheat Pool stated that the marketing of nearly 50 per cent. of the Canadian wheat crop had been controlled by the private members of the Exchange during the period of "accumulation". This statement (issued Jan. 4) compared the low prices secured at Winnipeg with the higher ones reported at Chicago on the day referred to above and declared in conclusion that a national marketing agency would at least be of value in "ironing out senseless fluctuations".

On Mar. 1, the Pool announced that the first interim (flat) payment on all grades of wheat delivered to the 1932-33 Pool would be five cents. That of the previous year had been ten cents owing to the higher price level prevailing at the time.

The Province of Saskatchewan

(As at June 30, 1933)

Lieutenant-Governor..... His Honour Lieut.-Col. Hugh Edwin Munroe, O.B.E., M.D., F.A.C.S.

The Anderson Ministry (Co-operative)

Prime Minister, President of the Council, Minister of Education, and Minister of Natural Resources.....	Hon. J. T. M. Anderson, LL.B., D.P.E.D.
Attorney-General	Hon. M. A. MacPherson, LL.B., K.C.
Minister of Agriculture	Hon. W. C. Buckle
Minister of Municipal Affairs, and Minister in charge of Office of the King's Printer and Bureau of Publications	Hon. Howard McConnell, LL.B., K.C.
Provincial Treasurer	Hon. M. A. MacPherson, LL.B., K.C.
Minister of Public Works, Minister of Telephones and Telegraphs, and Minister in charge of Office of Fire Prevention and Insurance.....	Hon. J. F. Bryant, M.A., LL.B., K.C.
Minister of Public Health, and Minister in charge of Administration of The Child Welfare Act.....	Hon. F. D. Munroe, M.D.
Minister of Highways.....	Hon. A. C. Stewart, LL.B., K.C.
Provincial Secretary, and Minister of Railways, Labour and Industries.....	Hon. J. A. Merkley
Minister without Portfolio.....	Hon. R. Stipe, M.D.
Minister without Portfolio.....	Hon. W. W. Smith

Speaker of the Legislative Assembly..... Robert Sterritt Leslie (Rev.)

Heads of the Administrative Services

Clerk of the Executive Council.....	G. M. Carmichael
Deputy Attorney-General	Alexander Blackwood
Deputy Provincial Secretary and Registrar of Joint Stock Companies	G. M. Carmichael
Deputy Provincial Treasurer.....	A. Perring Taylor
Provincial Auditor	G. L. Hopkins
Superintendent of Insurance and Fire Commissioner.....	A. E. Fisher
Deputy Minister of Agriculture	F. H. Auld
Deputy Minister of Education	J. S. Huff, M.A., D.P./ED.
Director of Rural Education.....	A. R. Brown, B.S.A.
Deputy Minister of Railways, Labour and Industries...	T. M. Molloy
Deputy Minister of Telephones and Telegraphs.....	W. Warren
Deputy Minister of Municipal Affairs	J. J. Smith
Chairman, Saskatchewan Assessment Commission.....	Murdo Cameron
Deputy Minister of Public Works	J. M. Smith
Chairman, Local Government Board.....	S. P. Grosch, K.C.
Deputy Minister of Highways	H. S. Carpenter
King's Printer	R. S. Garrett
Deputy Minister of Public Health	Dr. F. C. Middleton
Deputy Minister of Natural Resources	John Barnett
Legislative Counsel	J. P. Runciman
Clerk of the Legislative Assembly.....	G. A. Mantle
Chairman, Public Service Commission.....	P. H. Shelton
Commissioner, Bureau of Child Protection.....	L. B. Ring
Provincial Librarian	Mrs. A. Bothwell
Commissioner, Bureau of Publications.....	T. A. McInnis
Chairman of the Liquor Board.....	J. E. Armstrong
Commissioner, Saskatchewan Farm Loan Board.....	William McInnes
Chairman, The Workmen's Compensation Board.....	Netson R. Craig, K.C.
Commissioner, Saskatchewan Power Commission.....	L. A. Thornton
Registrar, The Security Frauds Prevention Act.....	Stewart Adrain
Director of Nursing Services.....	Miss Ruby M. Simpson
Provincial Architect	Harold Dawson
Chairman, Saskatchewan Minimum Wage Board.....	Alfred J. Wickens, K.C.
Chairman, Public Service Superannuation Board.....	P. G. Ward
Chairman, Teachers' Superannuation Commission.....	R. F. Blacklock

THE PROVINCE OF ALBERTA

Problems of the Government; Political Incidents during 1932-33

The decline in the income of the people, the unusual and necessary expenditure for unemployment relief and heavy Public Debt charges were all reflected in the financial position of the Province of Alberta at the end of the Provincial fiscal year on Mar. 31, 1933. Notwithstanding the measures taken by the Government (United Farmer) during the 1932 Session of the Legislature to increase revenue and reduce expenditure, the Public Accounts for the 1932-33 period showed a Deficit of \$2,-107,521 on Income Account; this figure was, however, more than \$3,000,000 lower than the Deficit for the previous fiscal year, 1931-32. A still greater economy programme was announced during the 1933 Session of the Legislature indicating the Government's efforts to balance the Budget.

Throughout 1932 and the succeeding months of 1933 the burden of unemployment relief did not lessen; the cost to the Province for the year 1932-33 amounted to over \$2,000,000. At the end of December (1932) it was estimated that 22,334 individuals were receiving direct relief in the Cities of Calgary, Edmonton, Lethbridge, Medicine Hat and Drumheller; and in areas outside these cities 18,146 individuals were receiving help in the month of January, 1933. The Relief Commission, organized some months before under agreement with the Dominion Government and which relieved the Province and Municipalities, to a considerable extent, of the major cost of single unemployed men, was assisting 7,075 men of this class at Jan. 31, 1933.

Problems other than unemployment continued to confront the Provincial Government during the period July, 1932, to June, 1933. The decision of the Supreme Court of Canada that legislation of the 1932 Session of the Legislature providing for a Board to carry out schemes for the conservation of gas in the Turner Valley was *ultra vires*, left a contentious question of some years' standing still to be dealt with. The pressing need of definite action to bring about adjustment of farmer-debts in the Province was emphasized in public addresses of the Prime Minister, Hon. J. E. Brownlee. Speaking of this at Drumheller, on Aug. 13, 1932, he declared that he stood "four square in saying that I believe the time has come when we have to consider an entirely new scheme of credits for agriculture." Later, at the Annual Convention of the United Farmers of Alberta in January, 1933, he forecast new debt adjustment and consolidation of taxes legislation during the 1933 Session.

Two investigations on matters pertaining to the welfare of the people of the Province were in progress during the period under review. A Committee of eight members, appointed by the Govern-

ment on the approval of the Legislature by Resolution during the 1932 Session, received and considered recommendations from authoritative groups on ways and means of providing the people of Alberta with adequate health and medical services. A Progress Report was presented to the House during the 1933 Session and adopted, a Motion being proposed and carried at the same time that the Committee be requested to continue their work and to submit a further Report during the 1934 Session. The second Inquiry was into the milk situation of the Province, with particular reference to Calgary and Edmonton. The fact-finding Committee, consisting of J. J. Frawley (Chairman), Solicitor of the Attorney-General's Department; Dr. C. P. Marker, Dairy Commissioner; and J. P. Sackville, Professor of Animal Husbandry in the University of Alberta, was appointed by the Government in June, 1932. Legislation was enacted during the 1933 Session providing for the proper supervision and control of production, handling and distribution of milk products by the Board of Public Utilities Commissioners.

Political incidents of the period included two By-Elections during the 1932-33 Intermission of the Legislature; affiliation with the Co-operative Commonwealth Federation by the United Farmers of Alberta who, however, also retained the integrity and autonomy of their association (see elsewhere in this Section); the election of a new Provincial Liberal Leader; and the charges instituted against the Department of Public Works by the Liberal Opposition. (See this Section under Sessional matters).

The Camrose By-Election on Oct. 25, 1932, due to the death on July 19, of the sitting Member, Hon. Vernor W. Smith, Minister of Railways and Telephones, resulted in a majority of 400 in the final count for the Government (U.F.A.) candidate, Chester A. Ronning. The votes polled on the first count were: C. A. Ronning 2,526; Silvert W. Westvick (Lib.) 1,979; and Frank P. Layton (Con.) 1,101. The final count gave 2,813 votes to Mr. Ronning and 2,414 to Mr. Westvick. There were six candidates in the field for the Calgary By-Election on Feb. 19, 1933, necessitated by the appointment of the sitting Conservative Member, Dr. H. W. McGill, as Deputy Superintendent General of Indian Affairs at Ottawa. No candidates had been entered by either the Liberal or Conservative Party but Norman Hindsley, Independent, the winning candidate who polled, in the final count, 14,128 votes, was supported by the Conservatives. Miss Amelia Turner, who was designated Independent Labour and was the Labour-C.C.F. (Co-operative Commonwealth Federation) candidate, polled, in the final count, 12,307 votes. Votes of candidates according to the first count were as follows: N. Hindsley (Ind.) 12,532; Amelia Turner (Labour-C.C.F.), 10,504; R. H. Parkyn (Ind.), 2,003; G. C. Mackay (Ind.), 1,775; J. O. Sullivan (United Front), 539; and D. R. Crichton (Ind.), 478.

At a Liberal Convention at Edmonton in October, 1932, W. R. Howson, Member for Edmonton, was unanimously acclaimed Pro-

vincial Liberal Leader, in succession to J. W. McDonald, K.C., who had resigned early in 1932. Resolutions were adopted at the Meeting favouring (1) a reduction in the membership of the Legislature and lower Sessional indemnities; (2) the principle that all capital money such as net profits from natural resources should be used for reducing the Capital Debt of the Province; (3) revision of natural resources laws, having in mind greater encouragement for those engaged in furthering such development; (4) the establishment of a central bank, the function of which would be to direct and control currency issues and extension of credit through banks of the country. In another resolution exception was taken to the results of the Imperial Economic Conference (1932) at Ottawa.

Discussion of Liberal charges made during the 1933 Session against the administration of highway relief work by the Public Works Department was carried beyond the Legislature by both W. R. Howson (Liberal Leader), who launched the attack, and by Hon. O. L. McPherson (Minister of the Department). Referring to the Report of the Public Accounts Committee who had investigated the charges, Mr. Howson declared, at a political meeting after the close of the Session, that the end of the matter had not been heard. Mr. McPherson, at a U.F.A. constituency convention at Little Bow, in June, 1933, during which he was endorsed as their representative, referred to the Liberal attack in the Legislature and intimated that it and the appearance of a certain printed story which, he alleged, was circulated throughout the Province about the same time, might have a significant connection. He declared that the attack "was launched on the floor of the House just two days before the first scurrilous article appeared." Continuing, Mr. McPherson spoke of a Court action in which he had figured as the defendant and his former wife, as the plaintiff: "How did it happen that copies of *The Edmonton Bulletin* containing the story of the recent action against me were circulated free throughout my constituency for the first few days of the trial and not when I went on the stand to defend myself against their charges? Who paid for the distribution?" (*The U.F.A.*, July 3, 1933). The Court action referred to was the plea of Mr. McPherson's first wife to have an absolute decree of divorce obtained by Mr. McPherson set aside. Mr. McPherson had married again, subsequent to the obtaining of the decree, his second wife being the divorced wife of the man who (not then divorced) had allegedly been "the man in the case." The action, instituted on the ground of collusion, was dismissed at Edmonton on July 12 by Mr. Justice Frank Ford. The question of costs was reserved until the Judge was informed whether or not the application was to be made for an allowance for the plaintiff. In a lengthy judgment, Mr. Justice Ford pointed to the "room for doubt as to where the real truth of the whole matter lies" and said that he thought that the interests of justice would be better served by some proper provision for the plaintiff's support and the right of access to her children. (Canadian Press dispatch, July 13, 1933).

Unemployment Relief. During August, 1932, it was announced by the Prime Minister, Hon. J. E. Brownlee, that there would be a co-ordination of relief matters, with the Minister of Public Works, Hon. O. L. McPherson, in charge. Subsequently a Provincial Advisory Committee on Unemployment Relief was appointed (in September) consisting of six members—two representing urban and business interests; one, labour; one, rural and two women representing the women and children of the Province. The result of an investigation into the relief situation, presented in a Report at the 1933 Session of the Legislature disclosed, in five cities to which *questionnaires* had been sent, the existence of a lack of uniformity with regard to the administration of relief, a misunderstanding by City officials of Government regulations and abuses of city administration in connection with rental relief and manipulation of food orders. Registration of all applicants and thorough investigation into the validity of each claim for relief was urged in the Report. The Committee emphasized the growing necessity for provision of medical and health services for the unemployed and recommended that the agreement with the Federal Government should be amended to this effect. The opinion was expressed that public relief should also be given in the form of supplies of adequate clothing, the stock of voluntary organizations, which had been co-operating in this branch of relief work, having become practically exhausted.

As a result of a Resolution introduced by H. C. Farthing (Conservative) and approved by the House, that an investigation be made of Relief expenditures in the Cities of Calgary, Edmonton, Lethbridge, Medicine Hat and Drumheller since Jan. 1, 1931, the matter was referred to the Public Accounts Committee who reported to the House on Apr. 11, 1933. They stated that a test audit had been carried out in three of the cities and in view of the results they advised that similar tests be made in the other cities and that the results be conveyed to the Legislature in a Report during the 1934 Session. This was concurred in by the House; the Prime Minister, later, in a statement, declared that the audit would be under the direction of the Provincial Auditor.

The total expenditure on unemployment relief in the Province during the period from Apr. 1, 1932, to June 30, 1933, as given by the Provincial Auditor, amounted to \$5,356,551, the cost of which was divided as follows: Dominion, \$1,902,051; Province, \$2,217,961; and Municipalities, \$1,236,539. Of the total, the sum of \$1,810,640 was spent on relief work; \$3,409,309 upon direct relief, and \$136,603 upon administration.

Gas Conservation. The Report of the Board appointed under the Turner Valley Gas Conservation Act, passed at the 1932 Session of the Legislature, for the purpose of regulating the production of gas in the Turner Valley area, was not adopted on its submission to the Assembly during the 1933 Session, owing to the strenuous opposition of certain operators to the findings, and, partly, also, to the possibility that the Act might be declared *ultra vires*. Although of the opinion that the unit operation of the field under a form of pooling agreements would be the most efficient plan, the Board in their Report conceded the practical impossibility of effecting such a system in view of the difficulty of finding a method of representation of the various interests on the Managing Board and of measuring the value of the various properties. The proration scheme, ultimately recommended, based the allowable daily production of gas for each well, or for each owner of oil and gas within the conservation area (which comprised approximately 8,520 acres), partly upon acreage on structure, weighted by average pressure, and partly, upon actual naphtha production as determined by the tests carried on under the direction of the Board. The total gas allowance contemplated was 200,000,000 cubic feet, of which amount 10,000,000 cubic feet was set aside in the event of new wells being brought into production and also to cover certain allowances that might have to be given to two low gas oil ratio wells. The Board estimated the total reserves of gas as 512 billion cubic feet available above 400 pounds pressure, and stated that conservation at a constant

rate such as that suggested above would prolong the operation of the field for approximately seven more years.

Prior to the issuance of the Report, the legality of the Conservation Act was attacked by Spooner Oils Limited and other operators but was upheld by the Appellate Division of the Supreme Court of the Province in a judgment handed down in June, 1932. The Supreme Court of Canada, upon appeal, later (Oct. 3, 1933) ruled that, as it was limited to the Turner Valley area and, therefore, not applicable to the Province at large, the Act was in conflict with the provisions of the Agreement entered into between the Province and the Dominion, at the time of the transfer of the natural resources to the former in October, 1930, and as such, was *ultra vires*.

Subsequent to the decision of the Legislature against the adoption of the Report, a Resolution was passed reviving the Oil and Gas Wells Act previously in operation, which provided that no well should produce gas at a rate of more than 40 per cent. of its open flow, and entrusting the administration of its provisions to the Petroleum and Natural Gas Division of the Department of Lands and Mines.

The 1933 Session of the Legislature

The Third Session of the Seventh Legislative Assembly of Alberta, covering a two months' period, from Feb. 9, to Apr. 11, 1933, was productive of legislation in line with many of the other Provinces in so far as debt adjustment and ratification of relief agreements were concerned. A number of Resolutions, some similar in policy to those favoured by other Provincial Legislatures during their 1933 Sessions, received the endorsement of the Alberta Members. A balanced Budget, for the fiscal year 1933-34, was introduced by the Provincial Treasurer. Other financial statements tabled showed a Deficit in General Revenue Account for the fiscal year 1931-32 of \$5,153,051 and a Deficit for the first nine months of the fiscal year 1932-33 of \$1,395,481. A highlight of the Session was the investigation by the Standing Committee of Public Accounts into relief highway work of 1931 and 1932.

At the opening of the 1933 Session the standing of the Parties was: United Farmer, 38; Liberal, 11; Conservative, 6; Labour, 4; and Independent, 4. One new Member, C. A. Ronning (U.F.A., Camrose) was introduced on the first day; another, Norman Hindsley (Ind., Calgary) took his seat on the 13th, after the usual formalities had been observed. The Prime Minister, Hon. J. E. Brownlee was prevented by illness from taking his place in the House at the opening ceremonies, but he appeared some days later, Hon. George Hoadley, Minister of Agriculture, in the meantime, acting as Prime Minister.

The Speech from the Throne, read by the Lieutenant-Governor, Hon. W. L. Walsh, before dealing with the Provincial economic situation, expressed regret for the death, during Recess, of Hon. Vernor W. Smith, Minister of Railways and Telephones and Member for Camrose. The effect on certain Provincial areas of the continued suspension of export markets; the successes obtained by Alberta agriculturalists at the Toronto Royal and Chicago International shows; the high quality of the large Autumn crop of 1932;

and the unaltered state of the purchasing power of the producer owing to prevailing prices for agricultural products, were some of the items covered by the Speech. Government financing, it was pointed out, had been necessarily affected by prevailing conditions: no attempt had been made to carry on any substantial development work—only existing essential services had been maintained, and, to the extent of the Government's financial ability and of their jurisdiction, amelioration of distress among the people of the Province. With regard to the latter situation the Speech mentioned the action that had been taken: (1) in accordance with Agreements with the Dominion, municipalities had been assisted in carrying on a policy of direct relief to needy families; (2) a Commission had been appointed to administer relief to single men and transients, thus relieving the municipalities of a substantial burden; (3) an Advisory Committee had been appointed to inquire into the administration of relief, and to co-ordinate relief measures as administered in the various municipalities; (4) at "a recent Dominion-Provincial Conference" at Ottawa the Alberta Government had offered their co-operation to the Dominion Government in any reasonable scheme of national insurance; and (5) concessions had been obtained from mortgage loans associations which were of assistance to Provincial farmers.

Legislation forecast in the Speech included: a revision of the Debt Adjustment Act and provision for the consolidation of arrears of taxes. Remedial measures, suggested by the Provincial Government to the Dominion Government, were Amendments to the Bankruptcy Act and a conference of the major wheat-exporting countries to discuss, primarily, decreased production.

The Debate on the Address-in-Reply to the Speech from the Throne—the Mover and the Seconder, of which were, on Feb. 10, Lorne Proudfoot (U.F.A., Acadia) and Chester A. Ronning (U.F.A., Camrose)—was prolonged until Feb. 23, when the Motion was adopted without division. The principal Opposition addresses during the Debate were those of the following Members: the Liberal Leader (W. R. Howson) who moved an Amendment, which was lost on a vote of 18 to 38 (and 2 pairs), demanding the re-organization of every Government Department and criticizing, in particular, the letting of contracts without tender in highways construction; the Labour Leader (F. J. White) who advocated such action by the Legislature during the Session as would prevent a recurrence of the payment of upwards of \$500,000 made during 1932 in premium on payments due in New York; the Conservative Leader (D. M. Duggan), who declared: (1) in a reference to payments due in the current year by the Province in New York, "that default must not be considered until we have exhausted every conceivable means to pay our way"; and (2) "if sinking political differences would in any way aid in the rehabilitation of this Province I would gladly make any effort along this line"; F. C. Moyer (Independent Leader), who advocated the immediate appointment of a Minister of Railways and Telephones as a successor of Hon. Vernor W. Smith. Govern-

ment Members taking part in the Debate included Hon. George Hoadley, Minister of Agriculture; Omer St. Germain, and George MacLachlan.

Government Financing: The Budget Speech, 1933. Public Accounts for the fiscal year ended Mar. 31, 1932, showed a General Revenue Deficit of \$5,153,051, instead of the Estimated Deficit of \$387,341, and as compared to a Deficit of \$2,306,581 in the fiscal year 1930-31. Estimated Revenue for the fiscal year ended Mar. 31, 1932, was \$18,441,457 and Actual Revenue, \$13,492,430. Estimated Expenditure was \$18,828,799 and Actual Expenditure, \$18,645,481. Alberta Telephones reported a Deficit of \$615,281. During this period there was a Total Expenditure on Unemployment Relief by all authorities of \$6,354,303. Of this the Provincial Government's share was \$2,426,313, accounted for by highway construction and other Public Works, and capitalized at normal costs.

A Statement of Receipts and Expenditures for nine months of the fiscal year 1932-33 (to Dec. 31, 1932) showed that there was an improvement in the cash position of the Province on Income Account of \$3,298,853 when compared with the corresponding period of 1931. Receipts increased by \$2,267,941 and Expenditures showed a decrease of \$1,030,912. For the nine months' period the Deficit was \$1,395,481.

In his Budget Speech of Mar. 3, 1933, the Provincial Treasurer, Hon. R. G. Reid, stated that the Net Funded and Unfunded Debt of Saskatchewan as at Dec. 31, 1932, was \$144,239,194. The Funded Debt, including Treasury Bills, Debentures and Stock, was \$140,445,275; and the Net Funded Debt, less Sinking Funds of \$6,988,964, was \$133,456,312. The Net Unfunded Debt was \$10,782,882. Deducting from the total of \$144,239,194 income-producing Assets of \$43,138,223, the Net General Debt was \$101,100,971 or a *per capita* of \$138.

The total amount of Alberta Savings Certificates on deposit on Dec. 31, 1932, was \$8,584,000 as compared with \$9,594,035, for the previous year; the Provincial Treasurer explained that a considerable amount of the sum withdrawn had been re-invested in Provincial bonds.

The total Sinking Funds applicable to the direct Debt of the Province, as at Dec. 31, 1932, amounted to \$6,988,964, of which \$1,635,951 was the Telephones' portion. All statutory payments for Sinking Funds had been maintained, Mr. Reid stated.

The Provincial Treasurer then reviewed the 1933-34 Estimates (for the fiscal year ending Mar. 31, 1934): these showed an Estimated Surplus on Income Account of \$9,700. Estimated Revenue for 1933-34 was \$15,473,175 and Estimated Expenditure, \$15,463,475. In every Department, with one exception, the estimated expenditure provided for reduction over the previous year's estimate, ranging from 5.37 to 30.23 per cent. After allowing for increased Public Debt Charges of \$332,065 the net decrease in Expenditure on Income Account was \$1,369,669. The Total Estimated Revenue for 1933-34 showed a net decrease of \$1,509,169 as compared with 1932-33.

Mr. Reid explained that the Government had endeavoured to bring down a balanced Budget by drastic economies rather than by any further extensive increases in taxation; that it was the intention, however, of the Government to introduce a Pipe Line Taxation Act designed to bring the taxation of pipe lines, passing through municipal and improvement districts, exclusively under the Provincial Government; that the purpose of this change was to produce uniformity in the taxation of such public utilities in the same way as already applied to power lines; but that the change would not effect the general public. The Government proposed to increase the Fuel Oil Tax to six cents per gallon. To offset this one-cent increase, taxes on motor car licences would be readjusted; the increase would bring the tax to the level of that of the Province of Saskatchewan while still lower than in many of the Provinces. Provision was made for a reduction in ordinary school

grants to nine instead of a ten months' basis if necessary. There was a reduction of \$51,850 in grants to school fairs.

A Liberal Amendment and two Sub-Amendments—one a Labour and the other, a Conservative—to the Motion to go into Supply were voted down before a two weeks' Debate on the Budget was brought to a close by Hon. R. G. Reid (Provincial Treasurer and Minister of Lands and Mines) on Mar. 17, when the main Motion was declared carried by a vote, 36 to 11; there were four "pairs".

George H. Webster (Lib., Calgary), after a vigorous attack on the Budget on Mar. 6, concluded by moving, seconded by J. M. Dechene (Lib., St. Paul), that the Assembly should re-consider the Estimates and revise them for the purpose of further reducing the salaries of highly-paid officials; of effecting greater economies in the Administration; of removing the probability of another large Deficit; and of considering methods for the proper financing of the Telephone system "in order to save it from its impending ruin". An assault from the Labour benches came on the following day (the 7th) in the form of an Amendment to the Webster Amendment, from Chris. Pattinson (Lab., Edson), seconded by C. L. Gibbs (Lab., Edmonton), that the Estimates should be re-considered in order to devise some financial means of maintaining the economic and social activities of the Province, even to the extent of organizing a Provincial medium of currency that would enable goods and services to be exchanged until such time as the inevitable changes in the national system of finance were brought about. This Amendment was defeated on a vote of 4 to 54, the Labour Members only supporting it.

The Amendment of the Conservative Leader (D. M. Duggan), seconded by H. C. Farthing (Con., Calgary) to the Webster Amendment, that "ways and means of more equitably distributing the burden of taxation with a special view to eliminating the \$3.00 base rate on income tax", should be further considered, was lost on a vote of 24 to 35. Upon the taking of a vote on the Webster Amendment on Mar. 9 it was declared lost by 34 to 14; there were four "pairs".

Mr. Duggan, speaking to the Main Motion on Mar. 13, advocated additional economies to ensure a balanced Budget; the putting of the Telephone system on a sound financial basis; the substituting of a Debt Adjustment Board for a Director with plans for a reduction of farm debts and interest rates; and the study by a Committee of the Legislature of the Lethbridge Northern project. In addition, the Conservative Leader suggested a re-establishment of a Canadian Loan Board and a guarantee by the Dominion Government of all Provincial re-funding and new capital requirements over a period of five years.

W. R. Howson (Liberal Leader) criticized, on Mar. 16, the Government for not giving the Assembly an Estimate of the finances of the fiscal year 1932-33, and for their policy in issuing Special Warrants. He charged that there was mismanagement in the Public Works Department in connection with highway construction contracts.

The principal Government Members taking part in the Budget Debate, besides Hon. R. G. Reid, were: the Prime Minister (Mr. Brownlee), the Minister of Public Works (Hon. O. L. McPherson), and the Minister of Agriculture (Hon. George Hoadley). Mr. Brownlee pointed out the difficulties of preparing Estimates owing to the uncertainty of economic affairs in general; the Government, he said, had estimated the previous year on the outlook at the time and price reductions had been reflected in every branch of trade and in all Government revenues. Mr. McPherson, answering charges of mal-administration levelled against his Department by the Liberal Leader (see Sub-Section: Committee Reports and Resolutions), reviewed the entire relief works' programme carried out under the Dominion-Provincial arrangement; he had introduced a Motion, which had been carried, that the Public Accounts Committee undertake an investigation into the alleged mal-administration of his Department. Mr. Hoadley spoke in defence of the costs of operations on the Raymond farm, declaring that they had been reduced to a minimum.

Legislation of the 1933 Session. Before Prorogation on Apr. 11, 69 Bills had received the Royal Assent. One Bill had been withdrawn and three killed. The outstanding measure was the Debt Adjustment Act, 1933, which amended and consolidated the Debt Adjustment Act of 1932. It provided protection to other than farmers and home-owners. One new clause arranged for the setting up of one or more committees, limited to three persons, who would co-operate with a Board, composed of not more than three members, in the administration of the Act in designated areas. Provision was made for the right of appeal to a Supreme Court Judge from a decision of the Board. The new Act came into force by proclamation on June 1, 1933.

The Unemployment Relief Act, 1933, gave power to the Government to enter into agreements, for the relief of unemployment, with the Dominion Government and with the Municipalities and improvement districts of the Province.

Several other Acts were in the interests of lightening burdens arising from the economic depression. One was the Local Tax Arrears Consolidation Act that provided that where a taxpayer had been in arrears for more than one year in respect of taxes, he might enter into a consolidation agreement whereby the arrears were payable by instalments as stipulated in the Act.

The Pipe Line Taxation Act, described in the Budget Speech, amongst other clauses, stated that the taxes leviable upon the value of the pipe line was ascertained by the Alberta Assessment Commissioner at a rate of 5 mills on the dollar or at such rate as might be fixed by Order-in-Council.

The tax on fuel oil was increased by an Amendment to the Fuel Oil Tax Act, from five to six cents per gallon and the refund arrangement was increased from four cents to five cents per gallon.

An Amendment to the Public Utilities Act of 1923, gave the Board power to make inquiries into matters relating to the production, handling and distribution of milk. It stated that anyone found guilty of the offence of retailing a commodity at a lower price than that prescribed by the Board would be liable, upon conviction, to a penalty.

The Vehicles Highway Traffic Act authorized a reciprocal arrangement with other Provinces in connection with registration and licensing of motor vehicles.

An Amending Bill receiving the Royal Assent repealed the clause in the District Courts Act which provided for the establishment of a district court in every Provincial judicial district. The Amendment stated that there should be two district courts in the entire Province: one in Northern Alberta, and one in Southern Alberta, each to have five judges.

Other Amendments to existing Acts provided for the dependants of an employee of the Civil Service and stipulated the age at which the employee was entitled to receive an annuity under the Superannuation Act; exempted from taxation land to the extent of 25 acres attached to a Hospital carrying on under the Hospitals Act; permitted advances to be made by instalments under the Hospital Act; permitted advances to be made by instalments under the Co-operative Rural Credits Act; limited exemptions previously granted under the Income Tax Act and provided for the negotiation of a reciprocal agreement with the Dominion or any Province whereby income tax returns of one Government might be inspected by another Government.

Reports and Resolutions of the 1933 Session. Charges by W. R. Howson (Lib.), in the course of the Debate on the Throne Speech of over-payment of moneys with regard to highways relief programmes of 1931 and 1932 resulted, on Motion of the Minister of Public Works (Mr. McPherson, seconded by the Prime Minister (Mr. Brownlee), in an investigation by the Public Accounts Committee of the Legislative Assembly into highway contracts for these years. The Report of the Committee was presented on Apr. 7, 1933. They found that out of 49 contracts during the two

years 9 had been let by competitive tender to the lowest bidder; that while the remaining 40 had been let by non-competitive award, the Minister of the Department, his Deputy and other Members of the Department in following this course of action had acted in good faith and with complete honesty; that the records of the Department were fully certified, complete in every detail, and available to the Committee for inspection. Of the 40 contracts only three were the subject of intensive investigation: (1) Redcliff-Kininvie, (2) Onoway and (3) Pigeon Lake. With regard to the first-mentioned, there had been conflicting evidence; the Committee refrained from definitely stating their findings in this particular case. With regard to the remaining two contracts, the Committee could find no evidence of over-payment—the charges appeared to be quite moderate. Of the whole 40 contracts for which tenders had not been called the Committee stated that the cost of all work done appeared fair and reasonable as compared to work included in contracts awarded by tender and in view of the fact that they were relief contracts subject to restriction as to labour employed. After a heated Debate the Report was adopted by the House on Apr. 10, by a vote of 43 to 9, after the Motion of the Prime Minister that the Report be concurred in had been amended by C. L. Gibbs (Labour) to include the items (1) that, in future, in Government work hours of labour should be accurately accounted for; and (2) that in Government work employees should not be permitted to work in excess of an eight-hour shift, if reasonably possible. Two Amendments in the course of the Debate on the Motion to adopt the Report had been defeated. One by Mr. Howson (Liberal Leader) declared that it was most irregular, improper and highly improvident that the Minister of Public Works (Mr. McPherson) should have let 41 contracts without calling for tenders in 1931 and 1932; that by so doing thousands and thousands of dollars of the taxpayers' money "have been thrown away"; and that "the administration of the highway contracts in 1931 and 1932, especially considering that this was a Relief Programme, was a scandal." An Amendment to Mr. Howson's Amendment by W. E. Payne (Conservative) declared that only three contracts let without tender had been investigated by the Committee; that while there was no evidence of any scandal or dishonesty on the part of the Minister or any other official of his Department, contract No. 5 (Kininvie to Redcliff) was an improvident one for the Province. (*The Journals*, 1933).

Two Monetary Resolutions: (1) moved by Mr. Howson (Liberal Leader), that there should be established a Federal Bank by the Dominion Government particularly for the financing of the Provinces and Municipalities; and (2) moved by W. H. Shield (U.F.A.), that the Legislative Assembly approve of a complete severance from the gold standard; of adherence to the sterling standard of exchange and a managed monetary system under national control, were both referred for consideration to the Standing Committee on Agriculture, Colonization, Immigration and Education. The Committee took the subject matter of the two Resolutions and defined them under three headings: (1) the adherence to the sterling standard of exchange; (2) the establishment of a Federal Bank by the Dominion Government and (3) availability of finances to the Provinces and Municipalities through a central bank of the Dominion Government, or otherwise, on the basis of (a) acceptance of the bonds of the Provinces and Municipalities at par; and (b) a rate of interest charged the Provinces and Municipalities sufficient only to cover the bare costs of operation, plus a reasonable per cent. to build up a safe reserve. Under this form the Resolutions were referred back to the House for consideration on Apr. 11, shortly before prorogation, but no action was taken.

The House approved a Resolution of F. E. Cruickshank (Conservative), on Apr. 4, that the recognized Leader of the Independent group in the Legislative Assembly should share equally with the recognized Leaders of the Liberal, Conservative and Labour groups in the Special Sessional Allowance paid to the leaders of such groups.

Pursuant to an amended Motion respecting Redistribution which received the approval of the House on Mar. 23, the personnel of a Special Committee

was announced by the Speaker on Apr. 7. The Committee was to study during the intermission until the 1934 Session the whole question of reduced representation in the House and the boundaries of such constituencies as might be recommended; their Report was to be submitted to the House in 1934.

Other Resolutions receiving the approval of the Members during the 1933 Session, were as follows: Apr. 5, proposed by H. W. Allen (U.F.A.), that the Dominion Government be asked to grant a subvention in freight rates in the Peace River area, putting it on a parity at least with the Edmonton district; Apr. 8, proposed by J. M. Dechene (Lib.), that the House of Commons be memorialized as to the necessity and urgency of immediate action in bringing about a reduction in interest rates on all public and private debts; Apr. 11, proposed by C. Milton McKeen (U.F.A.), that special efforts be made to work out a solution to the returned soldiers' unemployment problem; Apr. 11, proposed by Mr. Brownlee (and supplanting the Motion of Frank R. Falconer, Liberal), that while approving the basis of "the recent" reduction in domestic grain rates to the Pacific coast as a tentative arrangement, the Government (1) should endeavour to have similar reductions on higher grades of grain; (2) should request the Dominion Government to dispose of the Appeal to the Privy Council from the judgment on the general freight rates case first heard in 1929; and (3) after the disposition of said appeal the Alberta Government should consider further action in respect of freight rates in the interest of Western producers and consumers; Apr. 6, proposed by Mr. Brownlee, that the Dominion Government should Amend the Bankruptcy Act in order to provide for the appointment of a Conciliation Board to adjust Debts.

**Agriculture:
Production
and
Organizations**

In submitting the Annual Report of the Department of Agriculture covering the year 1932, the Deputy Minister (H. A. Craig) remarked on the increase from the previous year in the total yield of wheat from 136,000,000 to 164,000,000 bushels and stated that no large area had suffered a complete crop failure during the year. Even in the few sections of the Province where yields were not satisfactory there was at least sufficient

for seed and feed purposes. The total acreage under cultivation in 1932 amounted to 18,280,929, with a production value of \$117,935,664, as compared with 17,420,081 acres and a value of \$146,390,200 in 1931.

The following table given by the Department of Agriculture is a detailed and comparative statement of production during the years 1931 and 1932:

	Acreage	1931 Total Yield Bus	Total Value \$	Acreage	1932 Total Yield Bus.	Total Value \$
All Wheat	7,999,895	136,000,000	48,960,000	8,201,000	164,000,000	44,280,000
Oats	2,447,288	90,500,000	16,290,000	2,704,800	101,500,000	11,165,000
Barley	723,772	20,800,000	4,368,000	701,300	19,700,000	2,364,000
Rye	152,019	1,100,000	242,000	183,100	1,988,000	258,000
Mixed Grains	17,909	595,000	113,000	25,300	731,000	102,000
Flax Seed	28,831	200,000	144,000	15,200	147,000	72,000
Peas	400	6,000	9,000	400	6,000	3,600
Beans	500	5,500	6,600	500	6,000	4,200
Alfalfa Seed	2,250	6,250	75,000	600	1,250	15,000
		Cwt.			Cwt.	
Potatoes	35,596	2,776,000	1,166,000	31,000	2,102,000	1,345,000
Turnips, Mangolds, etc...	1,700	214,000	64,000	1,800	207,000	132,000
		Tons			Tons	
Sugar Beets	11,950	105,000	683,000	13,929	150,731	934,532
Green Feed	1,750,000	3,500,000	21,000,000	1,850,000	3,238,000	19,428,000
Hay and Clover	287,721	394,000	2,955,000	231,300	356,000	2,314,000
Alfalfa	56,650	124,000	1,240,000	56,800	139,000	1,112,000
Fodder Corn	3,600	13,000	52,000	4,500	26,000	91,000

NOTE.—For 1933 field crops statistics see Section on Industries (Agriculture).

Butter manufactured in the 95 creameries operating throughout 1932 amounted to 21,016,048 lb., a decrease of 8½ per cent. from the previous year, according to the Report of the Dairy Commissioner. There was a remarkable

increase for the year of 38 per cent. in the total output of cheese, amounting to 1,439,315 lb., reported by the 12 cheese factories. The production of ice cream declined 10 per cent. The price of live stock reached new low levels in 1932, but an encouraging feature in evidence during the year was the increased demand for horses.

United Farmers of Alberta. Unanimous re-affirmation of the principles aiming at the establishment of a co-operative commonwealth state, as laid down in their Manifesto of July, 1932, was voiced at the 25th Annual Convention of the United Farmers of Alberta, on Jan. 17-20, 1933. The steps leading toward this objective were outlined in the following five-point programme: the nationalization of currency and credit; the setting up of a social and economic council for the purpose of developing a planned economy; the public ownership or socialization of all natural resources, industrial and distributive equipment essential to the welfare of society; the establishment of a foreign policy designed to secure international co-operation in trade, industry and finance and to promote world peace; and a revision of the Constitution of Canada with a view to harmonizing it with the economic needs of the age and on the basis that the state exists for the individual and not *vice versa*. A logical outcome of this attitude was the decision of the Convention to affiliate with the Co-operative Commonwealth Federation, at the same time retaining their own identity and autonomy as an economic group.

The adequate protection of debtors; the setting up of a national wheat board; the inflation of currency to the extent of bringing the Canadian dollar to the same level as the currency of the country's chief competitors in the export market; provision against the further alienation of land and the institution of a definite policy of leasing to give security of tenure to farmers and ownership of all improvements; the issue of scrip currency by the Provincial Government; the favourable consideration by the Federal Government of a plan to barter 100,000 Canadian cattle and quantities of hides for Russian oil and anthracite were among the subjects of the many resolutions adopted by the Convention.

A surplus of \$1,200, as compared with a deficit for the previous year of \$5,324, was shown in the financial statement for the year ended Nov. 30, 1932. The total Revenue was \$21,839, of which \$10,923 represented dues paid, \$5,500, a grant from the Co-operative Committee and \$3,500, a grant from the United Grain Growers. Expenditures totalling \$20,638 included the following: organization, \$6,704; central office, \$9,295; and general, \$4,430.

For a third consecutive term, Robert Gardiner was elected President of the Association and Norman F. Priestly, Vice-President. The Executive Committee also included J. K. Sutherland, Hanna; H. B. MacLeod, High River; George E. Church, Balzac; and Mrs. R. Price, Stettler, (*ex-officio*). The Board of Directors of the previous year was re-elected.

Alberta Wheat Pool. The establishment of international co-operation in dealing with the wheat marketing problem was a widely-discussed subject at the Annual Meeting of the Alberta Wheat Pool held in Calgary, Nov. 22-28, 1932, and a resolution was passed requesting the Federal Government to convene for this purpose a conference of the Governments and producers of the chief wheat-exporting countries. Other resolutions adopted urged that the Government should grant a bonus on wheat and should establish the Canadian dollar on a parity with the British pound sterling. The formation of a national wheat board was also strongly recommended. After considering several methods of marketing as outlined in the Directors' Report, the delegates finally decided to continue during the ensuing year the optional marketing policy of the previous season.

The Directors' Report submitted to the Meeting stated that at the opening of the current fiscal year (July, 1932) regulations were laid down requiring the grower to declare his option at the same time that he delivered his wheat at the country elevator, with a view to protecting the pooling Association against the danger of unexpected delivery of large volumes of grain at any

time when adverse market conditions prevailed. An initial payment of 35 cents per bushel, basis "One Northern" Vancouver, became effective on Aug. 30. Total handlings of all grains, through Pool elevators and over the platform, for the 1931-32 season, amounted to 41,591,781 bus., as compared with handlings totalling 36,532,841 bus. the previous year.

The Consolidated Balance Sheet of Alberta Wheat Pool and Alberta Pool Elevators Limited as at July 15, 1932, gave the total assets as \$17,802,703, which included a sum of \$5,393,146, the amount due from growers in respect of the 1929 over-payment, and the value of which as an asset depended upon the future policy of the Pool in that regard. The operations of the Elevator Department resulted in a credit balance of \$375,739 being carried to the Balance Sheet.

The personnel of the Board of Directors, with H. W. Wood, Carstairs, again as Chairman, remained unchanged for the year 1932-33.

Annual Reports of Departments: Lands and Mines

The 2nd Annual Report of the Department of Lands and Mines covered the year ended Mar. 31, 1932—the first complete fiscal year of the Department since the transfer of the natural resources from the Dominion to the Province. 784 titles of land, covering 111,424,478 acres, were granted during the year. Homestead and

soldier grant entries numbered 4,428, involving an area of approximately 111,424 acres and made up of 3,876 first homesteads, 522 second homesteads and 30 soldier grants. These homestead entries had been discontinued from Feb. 14 to July 2, 1931.

The necessity of Government control over all oil and gas operations in the Province was strongly emphasized by the Director of the Petroleum and Natural Gas Division. The practice of drilling wells in a water-logged condition, he stated, was much too prevalent among operators, who seemed to prefer to risk the total expenditure at stake in the drilling of the well, rather than to lose the small capital expenditure involved in the process of isolating water. Rigid enforcement of new regulations, however, had proved beneficial in this regard. The possibility of establishing the Turner Valley as an actual oil-producing area was discussed at some length. The usual practice of the majority of operators was to shut off the crude oil during the drilling of the wells under the impression that it was not commercially productive. It was the opinion of the Director, however, that the development of these oil sands would prove highly remunerative, inasmuch as there were already three wells in the area concerned which had continuously produced crude oil of a good quality over the previous three or four years. The Report stated that all development had been suspended in the Wainwright, Ribstone, Skiff and Red Coulee areas, owing to the prevailing economic conditions. This fact, combined with the drilling restrictions in the Turner Valley, resulted in a considerably reduced production of oil for the year, the gross output amounting to 1,246,328 bbl. as compared with 1,614,202 bbl. in 1930-31. Geological samples examined and reported upon to individual operators by the Division numbered 9,159, while 1,801 inspections were carried out over a widespread area.

The worst fire season on record, occasioned by high winds, low humidity and very dry ground was reported by the Forest Service Branch of the Department. Fires acted on by the Service during the period, Apr. 1, to Dec. 31, 1931, totalled 622, involving a loss of \$867,487. Lumber manufactured from timber cut by holders of licensed and permit berths amounted to 36,562,070 f.b.m.; from timber procured from school lands berths, 1,454,022 f.b.m.; and from timber sales on forest reserves, 808,000 f.b.m.

The shrinkage of local and export markets for Alberta fisheries—that of the United States having been reduced by at least 50 per cent.—considerably affected the production of commercial fish in the Province. The total produced during the fiscal year ended Mar. 31, 1932, amounted to 3,337,980 lb., with a value to fishermen of \$115,928 and a value as marketed of \$189,928.

Cash receipts of the Department from all sources amounted to \$1,135,416, divided as follows: land patents, \$73,010; timber and grazing, \$196,471; mining lands, \$447,918; school lands, \$164,037; forestry, \$43,529; fisheries, \$18,861; petroleum and natural gas, \$311; administration of the Coal-Mines Regulation Act, \$7,271; miscellaneous fees, \$597; school lands revenue from the previous year and deposited during the current year, \$152,045; and unapplied receipts and moneys subject to refund carried forward from 1930-31, \$31,365.

Education. The Department of Education reported the organization of 35 new school districts during the school year 1931-32. Out of the 3,590 school districts in existence, 3,395 were operating 5,729 rooms, with an enrolment of 170,795. The percentage of attendance was 90.02. Elementary grade pupils numbered 142,548, of whom 49 per cent. were girls, and the percentage of the total enrolment in secondary grades was 16.53. The average cost per pupil per day in all schools was approximately 38 cents. The average salaries of teachers for the year were: first class, male, \$1,738; and female, \$1,205; second class, male, \$1,101 and female, \$1,025; third class, male, \$893 and female, \$909; special class, male, \$2,387, and female, \$1,982; and provisional female, \$820. The total of debenture indebtedness was \$12,026,157 and the total insurance on property, \$19,581,492. It was stated that the Normal School fee had been raised to \$100 per annum.

Strong opposition was voiced by the Alberta Teachers' Alliance and School Trustees' Association, at various meetings held in March, to proposed legislation at the 1933 Session of the Legislature, reducing the minimum salary of teachers from \$840 to \$600, and requiring the approval of the school inspector before thirty days' notice could be given to teachers by the Board. In April, 1933, the Alberta Educational Federation was formed, consisting of the Educational Association, the Teachers' Alliance and the Normal School Teachers. This amalgamation was for Convention purposes only, each Association retaining its individual autonomy.

The conclusion of the first twenty-five years of its history was celebrated with ceremony befitting the occasion at the Annual Convocation of the University of Alberta in May, 1933. Four professors of the University received the honorary degree of Doctor of Laws (LL.D.): W. H. Alexander, PH.D.; E. K. Broadus, PH.D.; W. A. R. Kerr, PH.D.; and J. M. MacEachren, PH.D. The following post-graduate degrees were conferred: D.Sc., 1; M.A., 7; M.Sc., 18; B.D., 4; and B.E., 1. Members of the graduating class, on whom degrees were bestowed numbered 206, of whom 70 received that of Bachelor of Arts. The registration for the year 1932-33, totalling 1,965, was the largest ever recorded by the University. Appointments to the staff during the period under review included those of O. S. Aamodt, PH.D., as head of the Department of Field Crops; Einar Jensen, PH.D., as lecturer in Agricultural Economics; J. W. MacGregor, M.D., as lecturer in Pathology; and D. R. Climenko, M.D., PH.D., as assistant Professor of Physiology and Pharmacology. It was announced that a grant of \$5,000 a year for three years had been received by the Library of the University from the Carnegie Corporation of New York, to assist undergraduate work in Arts and Science. From the same source also was a grant of \$10,000 a year for three years to be administered by the Extension Department of the University, for the purpose of promoting the appreciation of drama, music and art in the rural districts of Alberta. A set of 2,000 prints to assist in art study was donated by the College Art Association of New York through the Carnegie Corporation.

The Research Council of Alberta, with offices and laboratories in the University of Alberta, Edmonton, and working in close co-operation with the University, reported that activities for 1932 were mainly in four directions. (1) Coal—completion of a detailed survey of coals across central Alberta. Additional work included studies of moisture in coal, slacking and friability of the product and fusion of ash. The Provincial Mines Branch supplied samples and the National Research Council gave assistance to work bearing on the classification of coal. (2) Geological Survey—examination in the area extending from Smith eastward and south to Athabaska, Lac La Biche and

Cold Lake; also examination of Turtle Mountain at Frank. (3) Natural Gas—continued operation, in co-operation with the National Research Council, of a semi-commercial natural gas pyrolysis station at Calgary for the production of benzene and other derivatives from the natural gas of the Turner Valley field, and more particularly from stabilizer gas. Bitumen and cellulosic materials were also successfully hydrogenated. (4) Road Materials—further laboratory work to give a better understanding of the phenomena on which the hot water separation of bituminous sand depends, and how they might be manipulated to increase separation efficiency.

Public Works and Highways; Other Departmental Reports.

The Department of Public Works reported a total of 2,648 miles of main and secondary highways graded according to standard specifications and 1,680 miles of main and secondary highways gravel-surfaced at Mar. 31, 1932. During the fiscal year ended at that date, the sum of \$1,019,992 was expended on the maintenance of 3,356 miles of main highways; \$896,736 on the construction and maintenance of district highways and local roads; \$231,188 on the construction of secondary highways; \$281,071 on miscellaneous projects; \$81,443 on the maintenance, reconstruction and operation of ferries, of which there were 56; and \$5,655 on the construction of two new ferries. Thirty-nine steel bridges were constructed during the year and the total of bridges dealt with numbered 675.

There was a slight decrease in the total number of prisoners at the Provincial gaols, the daily average for the two gaols at Fort Saskatchewan and Lethbridge being 493.73, a decrease of 5.69 from the preceding year.

The year 1931 was a record one in many respects from the standpoint of public health, according to the Annual Report of the Department of Public Health. The Vital Statistics Branch recorded a total of 5,302 deaths for the year, or 7.2 deaths per 1,000 population, the lowest death rate in the history of the Province; 5,142 marriages and 17,252 births. Active communicable diseases all showed a decrease, the combined death rate per 100,000 population for diphtheria, scarlet fever, measles and whooping cough being 9.8 as compared with 20.8, the average rate for the previous five years. The urgent need for adequate accommodation for tubercular patients was considered as the most important public health problem facing the Province, the Report stated. Deaths from all types of tuberculosis numbered 385 in 1931, or a rate of 52.5 per 100,000 population; 166 of these deaths occurred among the Indian population. The total number of beds in the Sanatorium was only 210, whereas, for the application of an effective state-wide plan of prevention and control, 2.5 beds for each yearly death were necessary. There were 441 deaths from cancer, which was a death rate of 60, the lowest in Canada for the year. The infant mortality rate was 69.4 and that of maternal mortality, 5.0. The total bed capacity of the 91 approved hospitals in the Province was 4,495, and patients treated during the year numbered 67,010. The average cost per patient per day, excluding capital charges, was reduced from \$3.51 in 1930 to \$3.35. In concluding, the Report strongly emphasized the need for the expansion of preventive services, only \$189,000, or 12.6 per cent. of the total expenditure of the Department of \$1,539,083, having been spent on this line of activity.

Since the information available was not considered complete enough to warrant a final Report at that time, a Progress Report only was submitted to the Legislature during the 1933 Session, by the Commission appointed in March, 1932, under the chairmanship of Hon. George Hoadley, Minister of Health, to consider and make recommendations as to the best method of providing adequate medical and health services to all the people of the Province, and as to the financial arrangements necessary to achieve this object. After a thorough study of systems of medical administration in operation in various parts of the world, the Commission declared in favour of the operation of a contributory health insurance scheme, which should be made compulsory, if possible, and should provide for a specific period bearing a direct ratio to that of the contribution. A separate system of invalidity insurance

for chronic and incurable diseases was suggested. The Commission finally recommended the establishment of a State fund, centrally controlled and administered by a State Board, and submitted for approval financial plans for carrying out the scheme.

While returns received by the Bureau of Labour during the fiscal year ended Mar. 31, 1933, indicated a further decline in business, it was not as great as that of the previous year. Returns were received from 2,624 firms covering 44,620 employees. During the year a total of 4,481 inspections was made under the Factories Act and 3,391 under the Minimum Wage Act. The Government Employment Offices reported a total of 31,997 vacancies filled, of which 27,202 were for males and 4,795 for females. Through the efforts of the Offices, 1,795 single men were transported to relief camps, operated by the Federal Government and 985 to those operated by the Provincial Government, while 1,293 were placed in farm homes. Those receiving direct relief amounting to the sum of \$2,103,938 numbered 26,816.

A decrease of 1,030 in the number of accidents for the calendar year 1932 was recorded in the 15th Annual Report of the Workmen's Compensation Board. The total number was 8,974. The payroll decreased from \$77,000,000 in 1931 to \$60,000,000 in 1932 (estimate). Compensation paid to injured workmen during the period of their temporary disability amounted to \$407,938 while the sum of \$391,561 was transferred to the Pension Fund. During the year \$175,098 was collected from workmen for the purpose of providing medical and hospital service, and \$204,135 was expended for such services. The consolidated statement for the year ended Dec. 31, 1932, showed an expenditure in excess of revenue of \$203,510. A reduction in fees exacted by the medical profession became effective Jan. 1, 1933.

Out of a total of 1,403 applications for pensions received by the Old Age Pensions Department (administered by the Workmen's Compensation Board) during the calendar year 1932, 1,388 were granted. 480 pensioners were removed from the payroll by death during the year. The sum of \$1,062,770 was paid to pensioners residing within the Province and that of \$27,705 to pensioners in other Provinces. As at Dec. 31, 1932, 5,042 pensioners were on the Alberta payroll and the Board was also contributing toward 1,017 pensions to persons in other Provinces. The total amount paid in pensions since the commencement of the operation of the Act was \$2,784,350.

The Superintendent of Child Welfare reported that in 1932 approximately 520 children were made wards of the Department. It was stated that the practice of the Department was to place all delinquent children in private homes, where they would receive care and training similar to that of a reformatory institution, but without suffering the contamination, to which they would be exposed in the latter case. Consequently there were no delinquent children in the Reformatory. A reduction of \$44,000 in the Departmental appropriation under the Mother's Allowance Act was announced.

The Annual Report of the Alberta Liquor Control Board for the fiscal year ended Mar. 31, 1932, stated that sales of beer, ale and stout had amounted to 2,861,000 gal.; of wines, to 143,600 gal.; of spirituous liquors (other than alcohol), to 109,300 gal.; and of alcohol, to 1,990 gal. The total amount realized on gross sales was \$3,571,279, while the net profit for the year was \$1,305,540, as compared with that of the previous year of \$1,738,954. Revenue from the 178,836 permits issued totalled \$127,694, and permits cancelled numbered 340. It was stated that taxes for the year paid by the Board and the Brewers of Alberta to the Federal Government amounted to over \$1,845,000.

According to the Report covering the year 1932 of the Superintendent of Insurance, 307 company licences were issued, (inclusive of 20 fraternal societies, and 25 companies writing life insurance only). Certificates of authority issued to agents numbered 3,533. Fire insurance reported net premiums for the year of \$3,707,014 and net losses of \$2,045,258; automobile insurance, net premiums, \$730,825 and net losses, \$378,294; hail insurance, \$326,446 and net losses, \$113,189. There was a total of 1,937 fires reported by the Fire Commissioner during the year, the property destroyed by which was valued at \$2,495,492; and twelve lives were lost.

An increase of 50 per cent. in the year ended Jan. 31, 1933, in the number of applications, amounting to 3,228 in all and covering 452,598 acres, was reported by the Hail Insurance Board of Alberta. Although losses were light, the volume of business obtained was very small, owing to the low price of grain. Claims numbered only 492, as compared with 709 in the previous year and 3,650 in 1930. Insurance was written in 135 districts.

The sum of \$1,556,510 represented the total net collections from all sources by the Department of Municipal Affairs for the fiscal year ended Mar. 31, 1932. The arrears of taxes outstanding in the towns at the end of Dec. 31, 1931, amounted to \$1,112,589, as compared with \$1,083,253 at the end of the preceding year. During the same period the arrears in villages increased from \$444,505 to \$446,604. The debenture debt owing by the combined municipal districts of the Province, which the previous year had amounted to \$22,100, was reduced to \$17,974 at Dec. 31, 1931.

At the Annual Convention of the Union of Alberta Municipalities on June 28 and 29, 1933, it was resolved that interest rates on current borrowings should be reduced to 5 per cent. or less; that charges against a property should have the same priority as the usual levied taxes; and that not more than 16½ per cent. of the outlay for direct relief should be borne by the municipalities. F. M. Tucker, Castor, was elected President for 1933-34.

The Province of Alberta

(As at June 30th, 1933)

Lieutenant-Governor Hon. William L. Walsh, K.C., LL.D.

The Brownlee Ministry (U.F.A.)

Prime Minister, President of the Council and Provincial
Secretary Hon. J. E. Brownlee
Provincial Treasurer, Minister of Municipal Affairs and
Minister of Lands and Mines Hon. R. G. Reid
Attorney-General Hon. J. F. Lymburn
Minister of Agriculture and Minister of Health Hon. George Hoadley
Minister of Public Works Hon. O. L. McPherson
Minister of Education Hon. P. E. Baker
Acting Minister of Railways and Telephones Hon. George Hoadley
Minister without Portfolio Hon. Mrs. Irene Parlbay

Speaker of the Legislative Assembly Hon. George N. Johnston

Heads of the Administrative Services

Deputy Provincial Treasurer J. F. Percival
Deputy Attorney-General George B. Henwood
Deputy Minister of Agriculture H. A. Craig
Deputy Minister of Public Works (Vacant)
Deputy Minister of Education Dr. John T. Ross
Deputy Minister of Health Malcolm R. Bow, M.D.
Deputy Minister of Telephones J. D. Baker
Deputy Minister of Municipal Affairs Robert English
Deputy Minister of Lands and Mines John Harvie
Deputy Provincial Secretary E. Trowbridge
Provincial Auditor J. C. Thompson
Clerk of Legislative Assembly R. A. Andison
Clerk of Executive Council and Law Clerk J. D. Hunt
Legislative Counsel R. A. Smith
Civil Service Commissioner F. Smailes
Publicity Commissioner and Acting Provincial Librarian Colin G. Groff
King's Printer W. D. McLean
Director of Fisheries R. T. Rodd
Director of Forestry T. F. Blefgen
Director of Petroleum and Natural Gas W. Calder
Director of Water Resources L. C. Charlesworth
Superintendent of Child Welfare K. C. McLeod
Superintendent of Insurance W. Brace
Administrator of Estates of Mentally Incompetent and
Official Guardian T. Dickson
Chairman, Liquor Control Board R. J. Dinning
Chairman, Board of Public Utility Commissioners A. A. Carpenter
Chairman, Old Age Pensions Board and Workmen's
Compensation Board Alex. Ross
Chairman, Assessment Commission W. D. Spence

THE PROVINCE OF MANITOBA

A Coalition Government: their Financial and other Problems

The immediate problem facing the Government of Manitoba after the Provincial General Election of June 16, 1932, was a financial one. Hon. John Bracken, Prime Minister since 1922, and Leader of the Progressive Party (U.F.M.), had been successful, on the eve of the appeal to the electorate, in accomplishing a fusion of Liberal and Progressive forces. Two Members of the Coalition Government had been defeated at the polls: Hon. E. W. Montgomery (Progressive), Minister of Health and Public Welfare, and Hon. Murdoch MacKay, Minister without Portfolio and Leader of the Provincial Liberal Party since 1931. Two other Liberals had been taken into the Cabinet on May 27, 1932: E. A. McPherson as Provincial Treasurer, and John S. McDiarmid as Minister of Mines and Natural Resources and Industry. No immediate appointment was announced in connection with the Department of Health and Public Welfare, but on Oct. 14, 1932, it was assigned, as an additional Portfolio, to Hon. R. A. Hoey, Minister of Education.

From July, 1932, to the opening of the 1933 Session in February, the Government continued their efforts to reduce Provincial expenditure, wherever possible. Following a meeting of the Cabinet in August it was announced that a further reduction of 7 per cent. would be made in Civil Service salaries, commencing September (1932). In October, addressing a deputation of farmers who were presenting unusual and unreasonable relief "demands," Mr. Bracken declared that the Province was \$2,000,000 short of paying its way for the current year. Early in 1933 he conferred with the Governments of the other two Prairie Provinces with the hope that by a united effort some solution might be reached as to the best means of meeting a situation that appeared to be one common to all three Provinces.

Throughout the period under review there was no diminution of unemployment in Manitoba. During the whole of 1932 and on into the succeeding months of 1933 the Government continued to be faced with the increasing need of extending relief to all classes of unemployed: casual labour, skilled workers, clerks, merchants and professional men. The Budget Speech of 1933 revealed that between Oct. 1, 1930, and Dec. 31, 1932, the sum of \$15,692,023 had been expended in the Province for unemployment works and direct relief; of this amount Manitoba paid \$5,645,247, necessitating borrowings to that extent and additional annual interest charges of over \$300,000. At the end of 1932 there were approximately 8,000 families in the Province receiving relief. The number of women receiving assistance had increased from 500 to 1,000 during the year.

The Dominion-Provincial Commission, the inauguration of which had been announced by Mr. Bracken in November (1932), took care of single unemployed men from that date: these were placed in camps and on farms under a joint arrangement of the two Governments. By December (1932) 1,300 single men had been placed on farms, several hundreds in camps and 4,000 were being given meals and lodgings in the City of Winnipeg alone. An exhaustive study of seed grain and fodder needs of farmers throughout Manitoba was made early in 1933 and legislation passed, during the Session of that year, for the amount, estimated at \$200,000, required for the supplying of these items by the Government. An instance of Provincial action during the year, taken with a view to lessening the numbers of unemployed, was the formation of a delegation, headed by the Minister of Mines and Natural Resources (Hon. John S. McDiarmid), who interviewed the Receiver of the Abitibi Power and Paper Company at Toronto in an effort to have re-opened the Manitoba Paper Company plant at Pine Falls, whose continued shut-down since Feb. 24, 1932, was affecting thousands of wage-earners in the Province. The appeal proving unsuccessful, the Government put through a measure during the 1933 Session directed against the attitude of those in control of the Company.

Other difficulties associated with unemployment confronted the Government. One was the frequent evidences of relief mismanagement; this question was submitted for study to the Committee on Public Accounts of the Legislature who, in their Report to the House (during the 1933 Session), recommended: (1) changes in the handling of unemployment relief in municipalities outside Greater Winnipeg; (2) definite regulations as to relief work in order that the situation might not be exploited; (3) an inquiry into conditions in rural municipalities; (4) reconsideration of the existing food schedules; (5) increase in clothing and household supplies; (6) the establishment of a central medical registration office; (7) the inclusion of a woman member and a representative of the unemployed on the Advisory Relief Committee. A second problem was that arising from an announcement made in June, 1933, by the Doctors' Special Relief Committee of Manitoba, representing the Winnipeg Medical Society and the Manitoba Medical Association: this was to the effect that, after July 1, physicians throughout the Province would refuse to provide free service for unemployed persons on relief except in an emergency case where human life was at stake and in the case of a former paying patient reduced to the position of seeking relief.

Early in June, 1933, after a Provincial Council on Unemployment had been called preparatory to laying before the Dominion Government the needs of the Province in this regard for the following year, Mr. Bracken, accompanied by R. H. Webb, Mayor of Winnipeg, and by J. A. McKerchar, Chairman of the Winnipeg Finance Committee, left for Ottawa, where, on June 12, he interviewed Members of the Dominion Government.

Notwithstanding the fact that during the early part of 1932 rumours of irregularities in Government Departments had been current, the public was not prepared for the startling and sensational disclosures in August of huge defalcations affecting the University of Manitoba, the Church of England in Canada and several individuals, followed by the arrest and conviction of John A. Machray, K.C., of the investment firm of Machray and Sharpe, for stealing trust funds belonging to the University and to Heber Archibald, a former law partner. A Royal Commission was appointed by the Provincial Government to inquire into the affair. The Church of England did not prosecute but a Restoration fund was established and all parishes throughout Canada were asked to assist in replacing their overwhelming losses.

Dominion-Provincial Correspondence. After a joint consideration of Provincial needs by the Governments of Manitoba, Saskatchewan and Alberta, a letter, dated Jan. 21, 1933, and signed by the Provincial Treasurers of the three Provinces was sent to the Dominion Prime Minister. It asked that the Dominion Government assume 50 per cent. of the costs of direct relief instead of the existing $33\frac{1}{3}$ per cent. share and that the Dominion advance to the three Provinces, against Treasury Bills, the money required by municipalities and Provincial Governments to meet expenditures for unemployment relief, at least until such time as their securities could be sold on a reasonable basis. The letter stated that if this assistance were not granted to the three Provinces they would definitely face the alternative of (1) drastically reducing Provincial expenditures for schools, health institutions, old age pensions and mothers' allowances, or (2) defaulting on exchange payments of either exchange premiums, or interest or both. The letter pointed out that the latter alternative should be avoided if at all possible, as the total capital debts of the Provincial Governments and urban municipalities were over six hundred millions of dollars. This and other correspondence between the Governments of Canada and Manitoba were tabled in the Provincial Legislature during the 1933 Session.

The Dominion Minister of Finance (Hon. E. N. Rhodes), in acknowledgment of the request of the Manitoba Provincial Treasurer, some weeks after the sending of the joint letter, reminded him that the Dominion Government had several times stated their inability to find indefinitely all the money for all the relief granted; that Manitoba must assume its responsibilities as other Provinces had done; that the Dominion Government were facing their own heavy obligations for the coming year and that they dared not lessen, by undertaking Provincial responsibilities, their ability to deal with their own problems; that they (the Dominion Government) during the previous week had been called upon to renew the guarantee that they had given in order to save the depositors in the Manitoba Provincial Savings Office and because of the Provincial Government's failure to provide adequate security. A letter from the Dominion Prime Minister (Rt. Hon. R. B. Bennett) under date of Mar. 9, 1933, declared that no convincing evidence had been adduced to show that every possible effort was being made by the Manitoba Legislature and the Government to adjust their Provincial affairs and work into a position of self-reliance. The letter also stated that unless the Manitoba Government were prepared to pledge themselves to present a balanced Budget for 1933-34 by further reduction in proposed expenditure or by increased taxation, or by both; or, if convincing proof were given that a balanced Budget under existing conditions was not possible, then "your Government must adopt a definite, prescribed plan whereby the maximum estimated deficit under your proposed Budget shall be well under One Million Dollars" or as an alternative, that a Provincial financial comptroller, satisfactory to the Dominion Government, would have to be appointed, this official to be

given stated powers which should be held (1) until Provincial indebtedness to the Dominion was paid off or (2) until the Dominion Government indicated that his services were no longer required. If either one of the courses outlined were adopted, the letter continued, then the Dominion Government would decide what assistance could be given and how the necessary safeguards could best be provided.

Mr. Bracken's answer (Mar. 18) to Mr. Bennett included a statement showing the decline in Controllable Expenditures and Revenues for the four-year period 1930-31 to 1933-34 inclusive. He pointed out that Controllable Expenditures in the year 1932-33 had been reduced \$852,265 over the preceding year and in the Estimates for 1933-34 further reductions totalling \$715,235 would be effected; that Manitoba had been the first Province in Canada to put salary reductions into effect, ranging from 15 to 25 per cent.; and that since September, 1931, all Capital Expenditures, except those connected with unemployment relief works, had been discontinued. A summary of the 1933-34 Estimates was also included in Mr. Bracken's letter. He pointed out that there was no reasonable market for Provincial securities of the four Western Provinces; that the gross income of all their primary industries was but one-third of what it had been a few years previously and the price of "our chief staple commodity in the last few months has reached the lowest point in history." Continuing, Mr. Bracken said: "During that period every effort has been made to provide funds to take care of present and future obligations. Last year two issues were sold, one in the early part of the year for \$5,000,000, at a cost of 6.78 per cent. and the other in October for \$4,000,000 at a cost of 5.94 per cent. Since then the market has been practically closed for Western issues . . . Realizing the necessity of maintaining our relief services and since the bank has advised that it will not extend further credit, there is at present no other alternative but to accept your conditions." He stated that a further reduction of \$650,000 in the Estimates, therefore, would be made and that legislation would be introduced during the 1933 Session to bring in an increased revenue of \$1,350,000; both these changes in the Budget would reduce the Deficit from \$2,650,000 to \$650,000. He reminded Mr. Bennett that the Provincial Treasurer had discussed with him (Mr. Bennett) the immediate needs of the Province: the financing of direct relief, the New York maturities of May (1933), payments in connection with defaulting municipalities and hospitals and the line of credit with the Bank.

When the Budget Speech was finally delivered to the House on Mar. 27, 1933, some weeks after the tabling of the 1933-34 Estimates, it included a programme of further reductions in Controllable Expenditures and an income and a commodity tax proposal; the latter was abandoned, however, before the end of the Session and the contemplated income and wage tax of one per cent. increased to two per cent. In addition, the Gasoline Tax rebate was cancelled on a number of items.

The Machray Scandal. An extraordinary and shocking record of crime and duplicity, of negligence and incompetency was unfolded in Winnipeg during the latter months of 1932 before the Provincial Police Court, the Court of King's Bench and, later, before a Royal Commission of Inquiry, whose sittings extended into the year 1933, their Report being tabled in the Legislature on Mar. 29. Trust funds, amounting to nearly \$2,000,000, through the thefts of John A. Machray, k.c., and his associate, R. H. Shanks, were lost to the University of Manitoba, the Church of England in Canada and to individual clients of the investment firm of Machray and Sharpe.

Machray, a man of about 67 years of age, who was ill at the time with cancer, was arrested at his home on Aug. 24, 1932. He was released on bail of \$50,000. On Sept. 22, he pleaded guilty to two charges: (1) to stealing \$500,000 from the University of Manitoba (\$901,175 was the actual amount but only an interim audit had been made at the time); and (2) to stealing \$60,000 from Heber Archibald, the former head of Machray's law firm. He was sentenced to seven years in Stony Mountain Penitentiary on each of the

two charges, the terms to run concurrently. (About a year after his admission to the Penitentiary, Machray's death occurred).

A man of reputed wealth, Machray had held for years and up to 1932, some of the highest positions in Manitoba and with these positions he had obtained unlimited control of trust funds. He had come to Canada from Scotland at an early age; had been educated at St. John's College, Winnipeg, and at Cambridge University, and had studied law under Heber Archibald of Winnipeg whose firm he subsequently joined, eventually becoming its head. Having developed the investment side of the business, he separated it from the law practice and, while still keeping his connection with the latter, gradually devoted most of his time to the investment end. He became Chancellor of the Diocese of Rupert's Land of the Church of England (1907) (his uncle was Archbishop of the Diocese) and Honorary Bursar of St. John's College. He thus obtained control of the endowment funds of the Church of England and also of the trust funds of the University of Manitoba through his interlocking positions with that institution—notwithstanding the fact that he was Honorary Bursar of the University at the time, his investment firm had been appointed, in 1906, investment agents of the same institution. Later, he became a Member of the Board of Governors and, in 1924, upon the retirement of Isaac Pitblado, k.c., from the office of Chairman of the Board, he was appointed as his successor.

Shanks, head accountant of the Machray and Sharpe investment firm for many years and associated with Machray since the latter's law student days, had died in April, 1932, about a month before the defalcations were disclosed.

The Church of England's loss amounted to about \$800,000 and that of St. John's College and the See of Rupert's Land, about \$60,000. Church funds affected included the Superannuation Fund, \$34,000; Clergymen's Widows and Orphans Fund, \$85,000; Missionary Funds for the Dioceses of Yukon, Mackenzie, Keewatin, Athabasca and Moosonee, \$375,000; four Endowment Funds, \$125,000; and losses to the Dean and Chapter of St. John's College of nearly \$300,000. The Most Rev. Isaac Stringer, Archbishop of Rupert's Land, announced that the Church would not prosecute; that an appeal would be launched which would aim at reaching all Dioceses of the Church of England throughout Canada in an effort to replenish their depleted funds.

Upon petition, proceedings in bankruptcy were started on Sept. 3 (1932) in the Court of King's Bench, Winnipeg, against Machray and Frederick J. Sharpe, k.c., his partner in the investment firm, the law firm, Machray, Sharpe, Parker, Crawley and Richardson having been dissolved a short time previously. The petition, which was presented by R. W. Craig, k.c., Vice-Chairman, and W. J. Spence, Registrar, on behalf of the University of Manitoba, declared that the partners owed \$890,554 to the University. Chief Justice D. A. Macdonald, who heard the case, on Sept. 21 declared the two men to be bankrupt and appointed the Royal Trust Company custodian of their assets. The total assets of Machray and Sharpe were \$342,387; liabilities amounted to \$1,937,380; while life insurance policies of Machray were shown to be approximately \$150,000.

A Royal Commission composed of Hon. W. F. H. Turgeon of the Saskatchewan Court of Appeal (Chairman), C. G. K. Nourse, formerly Winnipeg Manager of the Canadian Bank of Commerce, and Dr. W. C. Murray, President of the University of Saskatchewan, was appointed by the Manitoba Government to inquire into the methods employed in the administration of trust funds of the University since their establishment; the extent and history of the impairment of these funds; the use made of abstracted assets; and the causes of incompetency and negligence of those whose duty it was to safeguard such funds. The Commission was also instructed to recommend any changes in policy which they considered to be advisable in the future administration of University funds. The Inquiry was begun on Sept. 29, 1932, and was completed on Jan. 19, 1933. Forty-four witnesses had been heard during the fifty-four days' sittings of the Commission, one session having been held in the Penitentiary to take the evidence of J. A. Machray.

The Commission found that with regard to the defalcations Machray and Shanks only were criminally guilty; that the total shortages of all trust funds handled by the Machray firm amounted to nearly \$2,000,000; that embezzlement of funds had begun as far back as 1903; that every University Report from 1907 to 1917 was false—the firm had become investment agents for the University in 1906—; that depletion of University funds between 1925 and 1932 amounted to \$901,175; that taking into consideration interest which might have been earned if these funds had not been depleted, the amount lost was \$1,039,437.96; that due to the efforts of Isaac Pitblado, k.c., who was then Chairman of the Board of Governors of the University, and who insisted upon a proper auditing, the period between 1917 and 1921 was one of honesty but that in 1921 a large scale of thefts again had begun and thenceforward until January, 1925, the last year of a proper audit, the University books had been kept clean by means of turning other trusts' assets, largely Anglican funds, into the University chest; that Machray made use, for his own corrupt ends, of the position in which favourable circumstances had placed him; that trust funds had been used by him for personal investments or speculations; that he had been apparently insolvent continuously for 20 years before 1932; that R. H. Shanks had been a useful accomplice and without his assistance Machray could never have kept up his frauds for so many years; that James Kerr, who joined the investment firm in 1907, proved to be from 1924 an able assistant of the other two men in their illicit business methods; that he (Kerr) appeared to be indebted to the firm to the sum of \$12,142; that he (Kerr) had been initiated into a fictitious mortgage system perfected by Shanks in 1911 whereby investors were informed that their funds had been placed in mortgages, which were really non-existent, and interest sent regularly; that the firm's method was to transfer securities from one client to another by simply pinning a notation with the client's name on the bond; that for some years University funds, trust funds of individual clients and the personal funds of the partnership were all dumped together in a common bank account and cheques issued indiscriminately; that registered bonds were converted into bearer bonds and sold from time to time (\$500,000 bonds of the Rockefeller Fund were disposed of in this way); that interest on all bonds, mortgages and other funds was regularly distributed and in this way no suspicion had been aroused over a period of many years (it had been shown during the evidence that about one-half of the \$2,000,000 deficit on the Machray firm's books had been paid out as interest on securities or mortgages which no longer existed); and that Machray had lavishly dipped into clients' money for his own personal expenses.

It was further found that although F. J. Sharpe, partner of J. A. Machray, denied all knowledge of fraudulent practices going on in the office and although they accepted that statement, the evidence showed that he appropriated for his own purposes moneys in the firm's bank account—where, to his knowledge, clients' money and the firm's money were mixed—with a reckless disregard of the true state of that account.

The Commissioners held the Board of Governors, from the time of its first appointment in 1917, to be responsible, to a limited extent, for allowing Machray to hold interlocking positions of Bursar and Investment agent; and a greater degree of blame was fastened on the Board after 1924 as no statutory audit had been made for 1925 and succeeding years. The Board had improperly allowed Machray to issue cheques alone; it had no security from the investment firm for the large assets left in their care. The Government (Bracken) was declared to be blameworthy in that they did not obtain an annual report of the University investment funds as called for by the University Act; Hon. R. A. Hoey, and other Ministers of Education, had made no effort to enforce the provisions of the University Act, which specifically stated that an audit and a list of investments should accompany the University's annual report. The Norris Government failed, it was shown, in their responsibility in appointing John A. Machray to the Board of Governors in 1917 when he was already Bursar and Investment agent and Dr. R. T. Thornton (Minister of Education in the Norris Government) mis-

interpreted the University Act when he insisted upon the Board of Governors' accepting a Government audit. The Bracken Government, the Commission found, should not have appointed Machray as Chairman of the Board of Governors in 1924; this action made further thefts easier.

The conduct of the Comptroller-General of Manitoba, it was stated in the Report of the Commissioners, was reprehensible in failing to make an audit of the University's accounts at least once a year; in failing, after deciding to conduct a continuous audit, to do so; in permitting A. R. Ross to act as the University's general accountant and at the same time as his (the Comptroller-General's) auditor; in neglecting to inspect the securities of the University at any time between October, 1925, and June, 1932; and in omitting to make any reports to the Government until May, 1932. The Report declared that neglect of all these requirements was a serious breach of the Statute.

John R. Major, official in the Comptroller-General's Office, was declared to have been guilty of placing himself in an improper position by taking fees from Machray for work outside his (Major's) regular office hours, although it appeared that no effort was made to hide this fact.

Recommendations of the Commissioners included: (1) that the Board of Governors should be enlarged to 14 members; 9 to be appointed by the Government, and 3 by University graduates—the Chancellor and President to be *ex-officio* members; (2) that the Board of Governors should appoint from its members the Chairman and Vice-Chairman; (3) that no member of the Board should have financial interests in the administration of University affairs; (4) that all securities be deposited with a chartered bank or trust company; (5) that provision should be made for the proper signing and counter-signing of cheques and the bonding of officials.

An incident in connection with the case, which received a good deal of attention, not only during evidence at the Inquiry but also in the Press and during the 1933 Session of the Legislature, had to do with a letter dated May 23, 1932, from the Comptroller-General, Robert Drummond, to the Minister of Education, Hon. R. A. Hoey, informing him of a shortage of \$589,633.28 in the University Accounts. Copies of this letter were sent to the Attorney-General (Hon. W. J. Major, k.c.) and to the Deputy Provincial Treasurer (R. McN. Pearson). The latter, it was understood, had taken his copy to the office of the Prime Minister shortly after its receipt. Mr. Bracken's private secretary, after reading the communication, withheld it from the Prime Minister until June 17, the day after the Provincial General Election. During evidence both the Prime Minister and his Secretary stated that the letter had not been seen by the Prime Minister until this date (June 17), notwithstanding the fact that it had been in the Prime Minister's office since May 25; and, further, that the private secretary had not deemed the letter of sufficient importance to bother the Prime Minister with it during an election campaign; he argued that, as the information contained in it referring to shortages in University funds had been known to the Comptroller-General for eighteen months he thought that a few weeks' delay would not unduly affect the situation. The Attorney-General (Hon. W. J. Major) had also been aware, the evidence showed, of the information contained in the letter and although there had been several Cabinet meetings between the date of its receipt and the date at which it finally received the attention of the Prime Minister, the matter had never been discussed at any of these sessions. Nothing had been done about the situation until Aug. 24; Machray, in the meantime, had been re-appointed (July 23, 1932) Chairman of the Board of Governors by Hon. R. A. Hoey, who was acting Prime Minister at the time. The Commission in their Report stated that all the missing funds and securities had been stolen prior to that date excepting the sum of \$12,400. (EDITOR'S NOTE. No printed Report of the Royal Commission being available from the Clerk of the Legislative Assembly, *The Canadian Annual Review* is indebted to the daily reports of *The Winnipeg Free Press* and *The Canadian Press*).

An aftermath of the Investigation was the arrest on Mar. 29 and, later, the conviction, of Alexander Ross for stealing \$14,279 of trust funds of the University. Ross, who was sentenced to three years' imprisonment in Stony Mountain Penitentiary, had been chief accountant of the University of Manitoba up to within a short time before his arrest. The Turgeon Report had shown that, though Ross was internal accountant for the University he was also Auditor in the University for the Comptroller-General's Department. He was supposed to be conducting a continuous audit for the Comptroller-General and at the same time performing his duties as Accountant for the University.

The Report of the Commission was tabled in the Legislature on Mar. 29, 1933. Legislation embodying the main recommendations contained in the Report (see Sub-Section: Legislation) was enacted during the Session. The Report came up for discussion on Apr. 10 in Committee of Supply, when a grant of \$250,000, less than that of the previous year by \$250,000, was voted for the University. It was stated that this sum would also have to provide for the revenue that would have accrued to the University but for the misappropriation by J. A. Machray of certain trust funds. J. T. Haig, K.C. (Con., Winnipeg) and Marcus Hyman (Lab., Winnipeg) asserted that Government bonds covering the total losses sustained by the University thereby should be turned over to the new Board of Governors, when appointed.

The resignation of Robert Drummond, Comptroller-General for Manitoba, was announced by the Prime Minister in the House on Mar. 31. J. C. M. Ligertwood, President of the Manitoba Institute of Chartered Accountants, was appointed Acting Comptroller-General.

Estimating that the total amount of the Government grant for 1933-34 was not sufficient to keep the University open for more than six months with the staff then employed, the new Board of Governors (appointed on Apr. 28, 1933) requested, on June 1, the resignation of all members of the teaching, administrating and operating staffs of the University, preparatory to a complete reorganization along economical lines.

The 1933 Session of the Legislature

At the opening of the First Session of the Nineteenth Legislative Assembly of Manitoba by the Lieutenant-Governor, Hon. James Duncan McGregor on Feb. 14, 1933, the Progressive-Liberal (Government) Party with Hon. John Bracken at its head, had a following of 38 Members; the Conservative group, led for the first six weeks by Lieut.-Col. F. G. Taylor and later, upon his appointment to the Manitoba Court of King's Bench and subsequent resignation (Mar. 31) from the Legislature, by Mr. W. Sanford Evans (Winnipeg), numbered 10. Other Party standing was Labour, 5, and Independent, 2.

The Speech from the Throne intimated that the House would be asked to approve a proposal that urged still further co-operation between the Province and the Dominion in a united effort to bring about an increase in the prices of primary products and lower interest rates. It stated that approximately one-tenth of the population of the Province was in need of assistance; that the total monthly cost of public relief during more than a two-year period was almost half a million dollars; that the House would be asked to approve a request to the Dominion Government for a loan for the Municipalities and the Province for the moneys necessary for unemployment relief purposes in order to avoid the excessive interest costs

that it would be otherwise necessary to pay. A forecast of the more important legislation of the Session was included in the Speech.

The principal speakers in the Debate on the Motion for an Address-in-Reply to the Speech from the Throne, proposed by Ralph Maybank (Lib., Winnipeg) and seconded by Einar Sigurjon Jonasson (Lib., Gimli), were Colonel Taylor (Conservative Opposition Leader); John Queen (Lab., Winnipeg); Mr. Bracken (Prime Minister); Mr. Evans (Con., Winnipeg) and Col. R. H. Webb (Con., Assiniboia). The Debate ended on Feb. 23 when the Motion was adopted, after the defeat of an Amendment, moved by Mr. Queen.

Colonel Taylor denounced the Election Act Amendment; asked the reason for the delay in the cancellation of the concessions of the Manitoba Paper Company; demanded that drastic action be taken to alleviate the unemployment situation in the Province; referred to the part the Secretary of the Prime Minister had played in the unfortunate situation of the University of Manitoba by withholding the letter which revealed the University shortages from the Prime Minister until after the General Election of June (1932); and denounced the re-appointment of Mr. Machray by the Government after they knew of the contents of the letter.

Mr. Queen claimed that, as the Speech from the Throne failed to suggest a way out of the existing chaotic situation of "privation and insecurity" facing the people of the Province, he had the right to move an Amendment to the previous Motion demanding that as "the Capitalist system of economy has produced chaos in our midst and offers no hope for the future . . . the needs of society demand the socialization of all industries, natural resources and *media* of exchange and the operation of the same under a planned economy, producing and distributing goods to meet human needs, creating thereby a great Co-operative Commonwealth." A short Debate occurred before the Amendment was negatived on Feb. 20.

Mr. Bracken, resuming the Debate on the Address on Feb. 20, announced that the Government would budget for a Deficit of \$2,500,000 rather than increase taxation 50 per cent., eliminate social services, or default in interest payments.

Mr. Evans strongly denounced the Government's policy of budgetting for a Deficit. He cited the successful efforts of the Government of the United Kingdom and that of Australia at balancing their Budgets when each faced a financial crisis. Speaking of the proposed appeal of the Provincial Government to the Dominion for a deflation of Provincial debts which he believed to be the idea enunciated in the Speech from the Throne, Mr. Evans declared that he did not believe that a reduction in the legal rates of interest would affect existing conditions to any extent, and contended that while some advantage might accrue from a lower rate in current borrowing the real difficulty was in connection with the money borrowed several years before at a time when the price of goods and services were much higher. Mr. Evans concluded by urging that the proposed Resolution be not brought down in the House.

Estimates for 1933-34; the Budget Address. During the absence of the Provincial Treasurer in Ottawa where he had gone to discuss Manitoba's financial needs with the Dominion Government, the Prime Minister (Mr. Bracken) tabled in the House on Mar. 6 (1933) the Estimates for the year ending Apr. 30, 1934. Total Estimated Expenditure for 1933-34 was \$14,831,536 and Total Estimated Revenue \$12,500,000. Interest and Debt charges for the period amounted to \$7,328,652, an increase of \$1,767,696 over the year 1931-32. Estimated Controllable Expenditures for 1933-34 were \$7,502,804, a reduction of \$1,567,501 over the figure for the year 1931-32.

Revised Estimates for the year ended Apr. 30, 1933, including all figures for Main and Supplementary votes (\$779,352 voted on Apr. 3, 1933), showed Expenditures of \$14,464,696 and Revenue as \$13,217,688 as compared with the originally expected total of \$13,700,000.

The Budget Speech was not delivered by Hon. E. A. McPherson (Provincial Treasurer) until three weeks later. In the interim there had been many rumours as to the attitude of the Dominion Government and the banks with regard to Government financing in Manitoba; the correspondence between the two Governments was tabled in the Legislature on Apr. 14. (See introductory pages of this Section).

The Budget Speech on Mar. 27 showed the result of Provincial negotiations with the Dominion. The Provincial Treasurer explained that it was proposed to increase the Revenue by the sum of \$2,050,000 by (1) a Special Tax of one per cent. on all wages and incomes which was expected to amount to a sum of \$900,000; (2) a tax on the purchase of certain commodities—to amount to \$1,000,000; and (3) cancellation of the Gasoline Tax rebate—to give an additional sum of \$1,500,000. The expected increases in Revenue, together with proposed additional reductions in Expenditures, totalling \$650,000, would wipe out the Estimated Deficit and produce instead an Estimated Surplus of \$9,631.

The total Bonded Debt of Manitoba, including the bank overdraft of the Province, at Feb. 28, 1933, was stated by Mr. McPherson to be \$115,370,300.

After a prolonged Debate and appeals to the Government from different interests throughout the Province the proposed Commodity Tax was abandoned and legislation was enacted providing for a two per cent. tax on all wages or other incomes with the exception of (1) a married person earning \$960 and under; (2) an unmarried person earning \$480 a year or under; and (3) an unmarried person supporting a dependant if the total taxable income were less than \$960. The employer was to collect the Tax.

Estimated Expenditures for the fiscal year ending Apr. 30, 1934, as finally passed on May 3, totalled \$14,537,023. Revised Estimated Revenues for 1933-34 totalled \$14,041,168. This left an expected Deficit of \$495,855. These Estimates did not take into consideration money for relief which would have to be borrowed.

Legislation and Incidents of the 1933 Session. Prorogation of the Nineteenth Legislature of Manitoba, which had been in session eleven weeks, took place on May 4, 1933. The most debatable legislation of the period was the wage and income taxation measure—which, as finally enacted, provided for a two per cent. tax on wages and incomes (see particulars under sub-section, "Estimates; the Budget Address"). Another Bill that aroused a good deal of discussion, among both Members and interested public bodies, was The Mental Deficiency Act, the contention centring around the "sterilization" clause; this was both vigorously opposed and upheld—the main opposition coming from representatives of the Catholic Church. In the end the clause was deleted and the Bill passed. Legislation of most importance to the general public of Manitoba after the Income Tax Act was the Amendment to the Debt Adjustment Act which extended the Act to May 7, 1935; it stipulated, amongst other items, that landlords were limited to one-third share of the crop and were required to pay the current

taxes; that no proceedings of any kind could be taken, without the consent of the Debt Adjustment Commissioner except, in the case of a default extending over a period of one year, to collect rents for paying taxes, insurance, or interest on first mortgages. The Act referred only to mortgages and agreements for sale made prior to Apr. 1, 1931. The Municipal Act which had been referred to a Select Standing Committee of the House for consideration, consolidated 40 different Acts.

There were several money Acts: (1) authorizing the raising of a loan of \$4,500,000 for the Public Service, for any Provincial debt, for carrying on Public works approved by the Legislature, etc.; (2) granting the Main Supply of \$14,537,023.49 for the Public Service for the fiscal year ending Apr. 30, 1934; and (3) granting out of the Consolidated Revenue for Supplementary Supply, \$779,352.20, for the year ending Apr. 30, 1933.

Other taxation measures received the Royal Assent. The Amendment to The Income Tax Act did away with certain exemptions. An Amendment to The Soldiers' Taxation Relief Act limited such relief exemptions to pensioned widows of veterans, pensioned widowed mothers of soldiers and pensioned soldiers who were totally disabled. An Amendment to The Gasoline Tax Act restricted rebates to fishermen operating gasoline launches, to those operating threshers and combines and to fire engines belonging to municipalities. An Act provided for taxation on land in unorganized territories: this was directed against the Manitoba Paper Company in order to induce those in authority to reopen their plant at Pine Falls; failing this the returns from a two per cent. tax on their assessed valuation would assist in relieving unemployment in that district.

The University Act was amended in order to bring it in line with the recommendations of the Royal Commission of Inquiry (Turgeon Report): three members of the Board of Governors, whose numbers were increased from nine to fourteen and the Chancellor of the University—the latter for a period of three years—were to be elected by graduates. The Amendment provided also for the safe custody of all University funds.

Other legislation deserving of mention reduced Government grants to hospitals for public ward patients; required the fying of the name of the proprietor of newspapers; consolidated the Statutes of the Province; provided for the dissolution of Rural Credit societies and the transference of all assets direct to the Government; vested in the Crown all foreclosed lands in the possession of the Farm Loans Association, thus automatically ceasing to be taxable by municipalities but provision being made at the same time for payment of arrears; placed the sale and distribution of milk in Greater Winnipeg under the control of the Municipal and Public Utility Board; reduced the indemnities of Members of the Legislature from \$1,800 to \$1,674 to take effect Jan. 1, 1934. Advances to Members during the Session were increased from \$12 to \$20.

The Report of the Inquiry made by the Municipal and Public Utility Board of the merits of a Bill presented during the 1932 Session of the Legislature and which provided relief from what the Winnipeg Electric Railway considered heavy and unjustifiable taxation, as well as from certain charges which the Railway claimed were no longer applicable although they were embodied in a City By-law, was tabled in the Legislature during the 1933 Session. The Report recommended: (1) private ownership under public operation; or, as an alternative, private ownership and private operation in the Greater Winnipeg area under a supervising commission to be appointed by the Government; (2) that contractual obligations of the Company should stand unless either of these two plans were adopted; or, as a precedent to relief, that there should be a complete severance of the railway utility from the other activities of the Company. Taxation relief was recommended. The Report held out no hope for a reduction in fares and stated that profits were impossible for some time to come. On Apr. 4, 1933, it was referred for consideration to a Select Committee of the House, which on May 1 announced its conclusion: that legislation should be passed authorizing the Municipal

and Public Utility Board to examine further and prepare for submission to the next Session of the Legislature a detailed plan to provide an adequate system of street transportation for the metropolitan area of Greater Winnipeg. The Report was concurred in by the House.

A Resolution of the Prime Minister (Mr. Bracken) on May 3, after the defeat of two Amendments, received the approval of the House. It called for concerted action by all Canadian Governments in an effort to bring about (1) a rise in prices of primary products to a normal relationship with other products and (2) a reduction in interest rates in individual contracts, as well as in Municipal, Provincial and Dominion indebtedness, in some such manner as had been accomplished in Australia, New Zealand and Great Britain. The Motion also contained a suggestion that copies of this Resolution should be forwarded to all Governments in Canada and that a Dominion-Provincial Council should be appointed to consider the necessary action.

Statistical information regarding the municipalities of Manitoba for the year 1932, supplied by the Municipal Commissioner, Hon. D. L. McLeod, showed that the total municipal tax collection from all sources during that year amounted to \$17,290,889, of which \$10,979,128 was from cities and \$6,311,761 from municipalities, villages and towns. Tax arrears at Dec. 31, 1932, totalled \$32,400,921 (cities, \$15,363,553, and municipalities, villages and towns, \$17,037,368). The total tax imposed was \$20,598,300.

Public Works, Relief and Labour. The Report of the Department of Public Works on Destitution and Unemployment Relief for the fiscal year ended Apr. 30, 1932, stated that 48,874 individuals in the Province had registered as unemployed during that period. Under the 1931 Unemployment Relief Act, which came into operation in September, 1931, 249 relief work projects, of which the total expenditure was estimated at \$6,626,996, were approved by the Federal Government (50 per cent. of the expenditure was undertaken by the latter). Of this sum only \$3,833,852 was actually expended during the fiscal year 1931-32, but together with the amount expended completing works approved under the 1930 Act, there was a total expenditure during the year under review of \$5,604,174. By this means approximately 52,000 individuals were provided with 7,104,163 hours work or an average of 139 hours work per individual. Direct relief was issued by 155 cities, towns villages and municipalities to 15,389 cases or 76,980 individuals, involving a cost of \$3,378,665, of which amount the sum of \$2,723,625 was expended in the City of Winnipeg. The total expenditure during the fiscal year 1931-32 on relief works and direct relief was \$8,982,839 as compared with the sum of \$1,929,046 during the preceding fiscal year.

The Bureau of Labour (under the administration of the Department of Public Works) made 15,422 inspections during the year ended Apr. 30, 1932, and issued 6,545 orders. Total cash receipts for the year were \$28,156. Ninety-four claims for wages were adjusted under the Minimum Wage Act, collections of which involved the sum of \$1,355.

According to the Annual Report for 1932, the actual cash disbursed by the Workmen's Compensation Board during that period amounted to \$851,393 as compared with \$980,960 during 1931, a decrease of 13.2 per cent. The number of cheques issued totalled 29,833, in 1932, 2,946 less than those issued in the previous year, while the value of the Board Orders for the payment of compensation totalled \$834,225, as against \$1,020,535 in 1931. Reports of 6,909 accidents, 30 of which were fatal, were received during the year under review, as compared with 8,274, of which 41 were fatal, during 1931. Accidents in 1932 were classified under the various industrial groups as follows: steam railways, 947; Province of Manitoba, 247; City of Winnipeg, 277; general body of employers, 4,882; Winnipeg Electric Company, 163; and Dominion Government, 393. On Dec. 31, 1932, the Board had on its books 570 dependants of workmen killed in industry during the period from Mar. 1, 1917, to Dec. 31, 1932.

Education. The Annual Report of the Department of Education for the school year ended June 30, 1932, gave the following statistics for that period: pupils enrolled, 151,927, a decrease of 1,626 from the previous year; average daily attendance, 122,843, as compared with 120,703 in 1930-31; school districts, in operation, 1,944, an increase of six; school buildings, 2,039; school departments, 4,302; teachers, 4,425, made up of 921 males and 3,504 females; amount of teachers' salaries, \$5,052,322, a decrease of \$335,077; amount of legislative grant, \$2,360,689, as compared with \$2,439,572; and disbursements by school districts for all purposes, \$9,491,846, a decrease of \$2,223,579 from the previous year. The steady downward trend in salaries was reflected in the drop in the average rural school salary from \$800 in 1929 to \$550 in 1932-33, and it was stated that salaries in 1933-34 would be even lower.

A considerably reduced enrolment for 1932-33, due for the most part to a substantial increase in fees, amounting in some faculties to more than double those of the previous year, and necessitated by a curtailment of the Government grant, was reported by the University of Manitoba. The net total enrolment of 3,921 was divided as follows: regular courses, 2,912; Summer school (1932), 987; and extension courses, 301. Degrees conferred at the Annual Convocation on May 17, 1933, numbered 465. During the year two new buildings—an Arts Building and a Science Building—were erected at a cost of over \$500,000 on the former Agricultural College Campus at Fort Garry. Classes in Senior Division subjects in Arts and Science were transferred from the Winnipeg (Broadway) site to these new buildings. The Agricultural College ceased to exist as a College and became a Faculty in the University and under University management. Appointments made during 1932-33 included those of P. A. Macdonald, M.Sc., Ph.D., as Assistant Professor of Physics; H. H. Saunderson, M.Sc., Ph.D., as Lecturer in Chemistry; and O. Bjornson, M.D., C.M., formerly Professor of Obstetrics, as Professor *Emeritus*. The staff lost the services through death of C. F. Curtis Riley, M.A., D.Sc., Assistant Professor of Zoology, and D. W. Hunter Marshall, LL.B., B.Litt., Assistant Professor of History. Following the Report of the Royal Commission into defalcations of University funds (see elsewhere in this Section), the Minister of Education, Hon. R. A. Hoey, on Apr. 28, 1933, announced the names of nine Government appointees to the new Board of Governors as follows: A. K. Dysart, Judge of the Court of King's Bench of Manitoba; Mrs. H. M. Speechly; D. C. Coleman, Vice-President of the Canadian Pacific Railways, Western Lines; Paul F. Bredt, President of Manitoba Pool Elevators Limited; F. W. Nicks; F. W. Crawford; H. A. Bergman, K.C.; Dr. J. A. Lehmann and C. A. Adamson, President of the Western Trust Company.

Mines, Lands and Power. The total mineral production of the Province in 1932, according to the Report of the Director of Mines, George E. Cole, was valued at \$8,719,072, which was divided as follows: metallics, \$7,233,396; non-metallics, \$231,272; clay products, \$50,041; and structural materials, \$1,204,363. Only the metallics showed an increase over the previous year which was due mainly to the increased tonnages handled at the Flin Flon plants and to the appearance of the San Antonio mine as a producer of gold. Gold, zinc and silver all recorded increases in quantity and value, but copper, while showing an increase of 15 per cent. in quantity, had a decline in value of 472,451. Production of non-metallics experienced another drastic decline and values showed a falling off of 38.2 per cent. as compared with the figures for 1931. The Flin Flon mine operated throughout 1932 at increased capacity over the previous year. 1,439,651 tons of ore were mined and milled, producing 82,565 oz. of gold, 933,983 oz. of silver, 42,158,235 lb. of copper and 41,736,600 lb. of zinc. The Company smelted on toll 23,711 tons of custom ores and concentrates. At the Island Falls Hydro-Electric Plant there was generated during the year a total of 187,334,650 k.w.h. of electric power for use at the Flin Flon and Sherritt Gordon mines. The extremely low price for copper forced suspension of operations at the Sherritt Gordon mine in June, 1932. From Jan. 1, the Company had milled 159,230 tons of ore from which a production of 2,716 oz. of gold, 83,245 oz. of silver

and 9,929,182 lb. of copper was made. The Central Manitoba mine continued as the only gold quartz mine until May, 1932, when it was joined by the San Antonio gold mine as a producer of gold and silver. The former mine produced during the year 21,901 oz. of gold and 3,186 oz. of silver, and the latter, 13,864 oz. of gold and 1,934 oz. of silver. Smaller productions were made by several other operators, the most important being the North British Mining and Milling Company, Limited, and Cryderman Mines, Limited, with productions of 588 oz. and 323 oz. of gold and silver respectively.

The Lands Branch of the Department reported for the fiscal year ended Apr. 30, 1932, a total revenue of \$78,167, as compared with \$45,262 in the year 1931, an increase of 36.7 per cent. The amount outstanding on account of land and townsite sales was \$590,810, apportioned as follows: Provincial, \$370,010; school, \$211,147; and townsite, \$9,653. The total area of the land concerned was 123,855 acres, of which 93,800 acres were Provincial and 30,055 acres school lands. The average sale price per acre for the year was: former Dominion lands, \$3.26; Manitoba and North Western and Swamp lands, \$5.66; and school lands, \$11.40. An average price of \$3.73 per acre was obtained covering all lands sold during the year. Total collections on account of land sales for 1931-32 amounted to \$42,545, representing principal of \$28,123 and interest of \$14,422.

The only important extension of the Manitoba Power Commission during the fiscal year ended Nov. 30, 1932, was the building of 21 miles of line to serve the Town of Gladstone. This work was done at a cost of approximately \$45,000 under Federal Relief assistance. Other construction work consisted of minor additions to existing distribution and the repairing of storm damage. The gross revenue of the Commission, according to the Annual Report, was \$844,220 and the fixed and operating charges, \$853,761, leaving a net operating loss for the year of \$9,541. This loss was brought about by transferring to the Reserve Fund a somewhat larger amount than was set aside for this purpose in previous years. Total energy distributed during the year amounted to 11,827,599 k.w.h. through 12,204 meters. Upon the resignation—in December, 1932, of Douglas L. MacLean, Chairman of the Commission, Herbert H. Cottingham was appointed as his successor.

Health and Public Welfare; Other Departments. The Report of the Division of Disease Prevention (consisting of Public Health Nursing Service, Communicable Disease Control, Sanitation and Food Control) of the Department of Health and Public Welfare covered the calendar year 1932. Thirty-two relief committees, in addition to those already established, were organized by the Public Health Nursing Service during that period. The nurses assisted in supplying relief through the local relief committees and municipalities to 17,341 individuals and investigated 1,736 families, who had requested relief, for local agencies. Of the 40,000 school children examined during the year, nearly 28,000 were found to be suffering from some suspected defect. Home visits made totalled approximately 41,000. There were 35 Child Welfare stations operating throughout the Province, at which the attendance of infants and pre-school children amounted to 9,116 and of mothers with children for consultation, 2,242. Definite progress was reported in the control of communicable disease, with the possible exception of typhoid fever, of which 129 cases were recorded with 12 deaths. Although these figures were slightly better than those of 1931, the number of cases occurring was above the average, which in itself was far too high. Only 14 cases of smallpox were reported with no deaths; while there were 401 cases of diphtheria with 25 deaths, as compared with 526 cases with 45 deaths in the previous year. New cases of tuberculosis numbered 594, and the deaths from this disease, including Indians, for the eleven months ended Nov. 30, 1932, totalled 351. The Division of Child Welfare reported that during the fiscal year ended Apr. 31, 1932, the enrolment of families under "Mothers' Allowances" had increased by 28, the total number being 1,070 with 3,412 children under the age of fifteen years. Vital Statistics for 1931 were as follows: births, 14,391; marriages, 4,888 and deaths, 5,319.

The Old Age Pensions Branch (under the administration of the Workmen's Compensation Board) reported that 2,044 applications for pension were received during the fiscal year ended Apr. 30, 1933, an increase of 147 over the previous year. The total number of applications received since the inception of the Act in Manitoba was 12,580. Deaths of pensioners during the year numbered 776, bringing the total number of deaths up to 2,757. The number of cheques issued for the payment of pensions totalled 95,399, being 3,941 in excess of the number issued in 1931-32. The total amount paid to pensioners during the year under review was 1,859,166 while the cost of administration was \$17,499. The total cost to the Province was \$485,712, which was \$138,413 less than the preceding fiscal year, owing to the increase to 75 per cent. of the share of the Dominion Government.

The Government Liquor Control Commission reported that liquor sales for the fiscal year ended Apr. 30, 1932, amounted to \$3,266,833, and beer licenses, \$2,132,170; a total of \$5,399,003. The total cost of trading was \$3,965,912 and operating expense, etc., was \$542,186, leaving a net profit on trading of \$890,905. After adding \$599,136 derived from other revenue (brewery tax, permits, etc.), the total net profit for the year was \$1,490,041. An important item of the Expenditures was the sum of \$63,311 spent on Law Enforcement.

The total revenue of the Department of the Provincial Secretary for the year ended Apr. 30, 1932, as given in the Annual Report of the Department covering that period, was \$35,732, including \$9,873 received from advertisements in and sales of *The Manitoba Gazette*. Letters Patent granted numbered 162, the aggregate capital stock involved being \$8,412,000 par value shares and 3,561,200 shares of no par value. Fourteen Supplementary Letters Patent were granted to existing companies, four of which were to increase and five to decrease the capital stock, while four were for conversion of shares and one for extension of powers. Licences granted under Part IV of the Companies Act numbered 19, representing an aggregate capital of \$3,880,000 par value shares, and 405,000 shares of no par value.

Agricultural Conditions; Reports of Organizations

The Report on Crops, Live Stock, etc., dated Dec. 31, 1932, and issued by the Department of Agriculture and Immigration, stated that the Winter of 1931-32 had been one of about average severity. Feed supplies were scarce, owing to the severe drought of 1931. Spring, which opened about the usual date, found the soil in the south-western part of the Province rather dry. The hatching of millions of grasshoppers during late May necessitated the institution of grasshopper poisoning through a great number of municipal mixing stations. Damage to the hay crop from rust and hail was slight, but there was considerable infestation from wheat stem maggot. Field crop statistics in 1932 were as follows:

Crops	Area Acres	Yield per Sown Acre Bus.	Total Yield Bus.	Average Price per Bus.	Total Value
Wheat	2,651,000	16.0	42,400,000	\$0.34	\$14,416,000
Oats	1,463,500	25.2	36,826,000	.14	5,156,000
Barley	1,123,300	17.8	20,014,000	.17	3,402,000
Fall Rye	30,100	13.8	415,000	.18	75,000
Spring Rye	10,500	13.8	145,000	.18	26,000
Peas	2,000	14.0	28,000	.60	17,000
Buckwheat	5,700	15.0	86,000	.44	38,000
Mixed Grains	17,000	22.1	376,000	.19	71,000
Flaxseed	49,300	4.9	240,000	.57	137,000
		cwt.	cwt.	per cwt.	
Potatoes	32,400	59.0	1,912,000	.63	1,205,000
Turnips, etc.	4,400	102.0	448,000	.53	237,000
		tons	tons	per ton	
Hay and Clover (exclusive of Wild Hay & Alfalfa)	448,000	1.53	683,000	5.50	3,757,000
Alfalfa	16,200	1.70	27,000	8.50	230,000
Fodder Corn	13,400	4.20	57,000	3.75	214,000
TOTAL.....	5,866,800				\$28,981,000

The following table shows the estimated net agricultural production for the years 1931 and 1932:

	1931	1932
Field Crops (less seed for following Spring and feed used on farm where produced).....	\$ 9,100,000	\$15,700,000
Live Stock Increase (less depreciation in horse value through labour of production).....	11,000,000	7,400,000
Wool	53,000	31,000
Dairy Products	11,939,000	8,860,000
Poultry Products	4,998,000	4,011,000
Garden Products	2,000,000	1,100,000
Honey	515,000	412,000
Fur Farming	62,000	55,000
Clover and Grass Seed.....	87,000	70,000
Total Net Production.....	\$39,754,000	\$37,639,000
Average per farm, basis of 52,800 farms.....	\$753	\$713

NOTE.—For 1933 field crops statistics see Section: Industries and Commerce (Agriculture).

The Live Stock Branch estimated that the number of horses in the Province at June, 1932, was 341,500 (1931, 326,529); cattle, 734,500 (1931, 677,668); sheep, 199,100 (1931, 213,936); and pigs, 337,900 (1931, 387,646). Although prices of all kinds of live stock had declined in 1932, horse values were better than those of other animals. Cattle prices presented the lowest yearly average for many years. The average price of sheep and lambs at the St. Boniface market was \$4.40 per cwt., as compared with \$10.20 four years previously, and that of pigs showed an even greater reduction.

The production of creamery butter, according to the Dairy Commissioner, was 19,299,877 lb. in 1932, which, although a decrease of 8.4 per cent. from that of 1931, was a 22.2 per cent. increase over 1930 (1931 showed an increase of 33.5 per cent. over 1930). The production value of creamery butter in 1932 was \$3,377,478 and of dairy butter, \$1,050,015; the average price was lower than for any year since 1897. The amount of cheese produced was 677,233 lb., an increase of 154,382 lb. over the previous year. Creameries in operation numbered 56 and cheese factories, 13. The total value of all dairy products was \$8,860,392.

The poultry situation was more favourable than that of most other lines of farm work as prices of farm grains had declined in approximately the same proportion as had those for poultry products. The estimated totals of poultry on the farms at June, 1932, were: hens and chickens, 4,928,700 (1931, 4,848,300); turkeys, 500,400 (1931, 496,600); geese, 118,600 (1931, 121,800); ducks, 69,000 (1931, 79,991). The egg production for 1932 (estimated) was 21,024,000 doz. with a total value of \$2,733,120. The value of the fruit and vegetable crop was estimated at approximately \$1,120,000, vegetables accounting for \$1,100,000; small fruits, \$10,000; and orchard fruits, \$10,000.

An increase in the actual amount of commodities handled during the fiscal year ended Apr. 30, 1932, in spite of the reduced purchasing power of the farmers and the lower prices prevailing, was reported by the Co-operative Marketing Board. Sales of consumers co-operatives totalled \$900,520, as compared with \$968,962 the previous year. Of the 153 co-operative elevators in operation, 105 realized a surplus on the year's business. There was a surplus over operation expenses of \$122,852 for the whole elevator system, after allowing for interest on capital, depreciation and other expenses. A total of 2,353,428 lb. of live and dressed poultry, as against only 1,470,231 lb. in 1930-31, was marketed for its members by the Manitoba Co-operative Poultry Marketing Association Limited; eggs handled numbered 2,031,330 doz. The total value of the 1931-32 products was \$766,941, as compared with \$865,409 realized the previous year.

Manitoba Pool Elevators, Limited.

The most important matter dealt with at the Annual Meeting of Manitoba Pool Elevators, Limited, held in Winnipeg, Dec. 1-2, 1932, related to the reorganization of the Elevator Associations into a line system for the purpose of securing efficiency of operation and assuring the farmers positive control of their grain handling facilities.

The general principles of the new plan put before the Meeting were endorsed and the Board was authorized to draw up the mechanical details in the form of an agreement. This agreement, supplementary to the four party agreement (see *The Canadian Annual Review*, 1932, page 256) was to provide for the collective operation of the elevators in one system; for the pooling of all revenue of the Elevator Associations; and for the creation of working capital out of special reserves. It was to remain in effect for a period of five years, at the end of which time it might be given reconsideration. Manitoba Pool Elevators, Limited was to act as trustee for and agent of the Associations, making the payments to the Provincial Government on their behalf, and supervising all the country and terminal elevator operations. (The agreement was prepared and submitted, during the Winter, to a meeting of shareholders of each local Elevator Association, nearly all of whom had accepted it by February, 1933.)

The 1931-32 Report of the Directors, submitted at the Meeting, declared the 1931 crop to have been one of the lightest on record, due to drought conditions and insect damages. The total wheat crop was only 27,000,000 bushels, as compared with the ten-year average of 41,000,000 bushels. Grain handled by the Company during the season totalled 8,695,282 bushels, as compared with 20,146,851 bushels in 1930-31. The sum of \$69,932 was paid on the Company's liability to the Manitoba Government for the year under review, leaving the sum of \$21,936 standing to the credit of certain Associations as a result of the year's operations.

The Report referred with regret to the official declaration of bankruptcy of the Manitoba Wheat Pool and to the winding-up order issued by the Courts on Nov. 5, 1932, application for which had been made by the Gillespie Terminal Grain Company in June, 1932.

The elections at the Annual Meeting resulted in the return of all the members of the Board, namely: P. F. Bredt (President), C. H. Burnell (Vice-President), W. G. A. Gourlay, W. J. Parker, G. N. McConnell, John Quick, and J. W. Baldwin.

United Farmers of Manitoba.

One of the outstanding features of the Annual Convention of the United Farmers of Manitoba held at Dauphin, Nov. 1-4, 1932, was the discussion of a resolution urging the association of that body with the Co-operative Commonwealth Federation. The resolution, as finally passed, eliminated all reference to political action and was tantamount to a postponement of the real decision until the 1933 Convention, the year to be spent in careful study of the objective of the Federation. It was also resolved to consider, in co-operation with the farm bodies of Saskatchewan and Alberta, the political union of the three Prairie Provinces. Other resolutions endorsed by the Convention were: the abolition of the Senate; reduction of Provincial expenditures; the compulsion by legislation of insurance companies to pay the full amount of policies accepted by them on buildings, in event of total loss; the continuation of the Canadian Council of Agriculture; a general reduction of Customs tariff and a 50 per cent. British preference increase under the general tariff. The Convention adopted the Report of a Special Committee on Land Tenure, submitted by J. J. Munn of High Bluff. Although the Report criticized the existing system of land tenure and prophesied that drastic changes were inevitable in the near future, it definitely ruled out the principle of state ownership as a solution of the problem. It was not possible, it stated, under existing conditions, for the State to carry the burden of agricultural indebtedness. The continuation of the system of land ownership was advocated, with, however, some new form of agricultural credits and the creation of a board or council, similar to the Canadian Council of Agriculture, but with the added advantage of financial aid from the State.

According to the financial statement the revenue for the year was \$6,000, which included \$1,711 collected in membership fees, and there was a deficit of \$584. The membership of the Association was almost double that of the

The Province of Manitoba

Lieutenant-Governor Hon. James D. McGregor

Prime Minister and President of the Council.....	Hon. John Bracken, B.S.A., LL.D.
Attorney-General, Minister of Telephones and Telegraphs....	Hon. W. J. Major, K.C.
Minister of Public Works and Labour.....	Hon. W. R. Clubb
Minister of Education and Minister of Health and Public Welfare	Hon. R. A. Hoey
Minister of Agriculture and Immigration.....	Hon. D. G. McKenzie
Municipal Commissioner and Provincial Secretary.....	Hon. D. L. McLeod
Provincial Treasurer	Hon. E. A. McPherson
Minister of Mines and Natural Resources and Industry....	Hon. John S. McDiarmid
Railway Commissioner	Hon. D. L. McLeod
Minister without Portfolio.....	Hon. A. Prefontaine

Heads of the Administrative Services

Clerk of the Executive Council.....	Fred Axford
Deputy Provincial Treasurer.....	R. McN. Pearson
Assistant Deputy Provincial Treasurer.....	S. W. Christie
Deputy Attorney-General.....	John Allen, k.c.
Deputy Minister of Public Works.....	A. McGillivray
Deputy Municipal Commissioner.....	R. M. Fisher, k.c.
Deputy Minister of Agriculture.....	J. H. Evans
Deputy Minister of Mines and Natural Resources.....	Charles A. Attwood
Assistant Deputy Minister of Mines and Natural Resources.....	Thomas Walter Laidlaw
Deputy Provincial Secretary.....	R. M. Fisher, k.c.
Deputy Minister of Education.....	Dr. R. Fletcher
Assistant Deputy Minister of Education.....	Clifford Knox Rogers
Deputy Minister of Health and Public Welfare.....	F. W. Jackson, m.d.
Commissioner of Mines.....	Justin S. DeLury
Provincial Librarian.....	W. J. Healy
Commissioner of Telephones.....	J. E. Lowry
Clerk of the Legislative Assembly.....	H. H. Dunwoody
Municipal and Public Utility Board.....	W. R. Cottingham, Chairman
	David L. Mellish
	George H. Balls

THE PROVINCE OF BRITISH COLUMBIA

Provincial Finances; An Attempt to Form a Union Government

The disquieting state of British Columbia's finances and the disappointing failure of the Kidd Committee to recommend any feasible corrective policy, the unsuccessful attempt of Hon. S. F. Tolmie, head of the Provincial Conservative Administration since 1928, to form a Union Government, and the radical changes which took place in Provincial Party politics during the twelve months ended June 30, 1933, while all presaging defeat for the Conservative Government, did not wholly prepare the on-lookers for the overwhelming success of the Liberal Party in the Provincial General Election of November, 1933, some months after the record of this Volume had closed. (For Election results, see last page of this Section).

General dissatisfaction with the Government's inability to cope with the mounting cost of administration had led to their appointing in April, 1932, a Committee composed of business men of British Columbia to make a thorough investigation into Provincial finances, with a view to finding some method of arresting expenditure and of enabling the Government to live within their income. The Committee's Report, made public in August, contained few, if any, suggestions of a practicable, corrective nature. Some of the more concrete ones had already been advanced and attempted; others, with one or two exceptions, met with objections from all Parties of the Province.

Meantime, repeated declarations at Conservative gatherings by the Prime Minister, that the interests of the Province at the time could best be served by a coalition of all Parties, prepared the people for his official statement of Sept. 7 in which he advocated the establishment of a Union Government, composed of men "who appear to be able to render the best service to the state . . . along the lines of the National Government in England, as the best method of meeting present conditions." A later and more detailed announcement (Sept. 18) by Mr. Tolmie contained proposals for a complete reorganization of the Cabinet which would be reduced in size from 11 to 8 members, a smaller representation in the Legislature, a pledge of stringent economy without impairing living standards, a January Session of the Legislature, and a General Election immediately afterwards, on the basis of a Union Government, with the question of leadership to be determined by the newly-elected Members. A few days previously, proffered membership in the Cabinet of the projected Union Government had been rejected by T. D. Pattullo and W. J. Bowser. In declining the Prime Minister's invitation Mr. Pattullo (Leader of the Opposition in the Legislature), who had held

the Portfolio of Lands in the Brewster Cabinet of the Liberal Administration of British Columbia, 1916-1928, stated that he had not been informed "as to what new policies or administrative measures you may have in mind, which you could not already have put into effect with the large majority in the Legislature which you have had supporting you . . . During the period of your Government your viewpoint and mine in respect of both policy and administration have been at almost complete variance. It is not reasonable to suppose these differences could be suddenly reconciled."

Mr. Bowser, who had been Prime Minister of the Province in 1915-16, having succeeded Sir Richard McBride a year before the complete over-throw of the Conservative Administration and the return to power of the Liberal Party headed by Hon. H. C. Brewster, and who had been in retirement from public life since 1926, merely stated that he could not see his way clear to entering such a Cabinet.

The reception by Conservative groups of the Prime Minister's decision to abandon Party lines in favour of Union was marked by conflicting attitudes. Local Associations were divided, some giving him their warm support and others voicing the sentiment that he had betrayed his Party trust. The Executive of the British Columbia Conservative Association, meeting on Oct. 1, 1932, unanimously endorsed the principle of Union Government as held by Mr. Tolmie. At the Annual Meeting of the Association on Nov. 27, however, it was decided to refer consideration of the matter to the district Associations. No further action was taken until Apr. 21, when the Executive announced that the Association would withdraw as a Provincial organization from participation in the forthcoming General Election, but that district conventions would be left free to nominate their own candidates. This stand they considered advisable in view of their obligations as an organization in Federal matters and of "the consensus of opinion of our leaders in favour of non-party government."

Matters were rendered decidedly more complicated by the intimation that, in addition to a third Party entering the political arena under the leadership of W. J. Bowser, the Co-operative Commonwealth Federation were also planning active participation in the General Election campaign.

It was decided at a caucus of Conservative Members prior to the opening of the Legislature on Feb. 23, 1933, that, during the Session, Party lines, so far as the Conservative group were concerned, would be retained and that the Government would conduct themselves as a Conservative Administration. On Mar. 17, another Conservative caucus, meeting for discussion of the subject, endorsed the principle of a Union Government. At the same time, a second attempt by Mr. Tolmie to negotiate a Union of Government and Liberal forces met with defeat, Mr. Pattullo again refusing to consider any such proposal.

The Liberal platform was, in the main, reflected in the resolutions passed at the Annual Convention of the Liberal Association of British Columbia on Oct. 4, 1932. The policy laid down at that time included the following points: the use of national credit to relieve existing burdens; the establishment of a national banking system; the institution of a national unemployment insurance scheme; extension of export markets; expansion of tourist traffic; a land settlement scheme, making lands available, free of charge, to those desiring to engage in agriculture; an exhaustive review of the whole field of municipal taxation and revenue and the appointment of a public utilities commission.

The platform of the new "Independent" or "Non-Partisan" Party, composed of Conservative, Liberal and Labour elements, and headed by W. J. Bowser, who had definitely announced his decision to re-enter public life at a public meeting in Vancouver on Mar. 11, was revealed in a speech by him at a meeting at Kamloops on Apr. 24. Briefly it was as follows: economy in public affairs, with a total Provincial Expenditure of \$20,000,000, a reduction of over \$2,000,000 from that estimated for 1933-34; lowered taxes; balancing of the Budget, "if at all possible"; an immediate round table conference to settle the disagreements between the Government and the municipalities, instead of a Royal Commission of investigation as proposed by the Government; and a drastic reduction in the membership of the Cabinet.

The formal Unionist platform Manifesto of the Prime Minister was issued on June 6, 1933. This was a reiteration and amplification of statements made several months previously (April), which had caused the British Columbia Conservative Association to finally decide against taking part in the General Election as a Provincial organization. The main principles as outlined in the Manifesto advocated the creation of employment by every means possible and a national system of unemployment insurance on a contributory basis; further development of the land settlement policy, then in operation, for the unemployed; extension of markets for primary products and creation of a Provincial marketing board; a policy of strict economy, keeping expenditures well within income; revision of interest rates and reduction of taxation; state health insurance on a Federal basis; revision of labour laws, with a view to the much-needed betterment of labour conditions; improvement along existing lines of the Provincial educational policy and a revision of the school curriculum; continuation of efforts for an international sockeye salmon treaty; operation of the Pacific Great Eastern Railway, until its disposition on terms which would ensure its completion to the Peace River; and the municipal control of civic borrowing powers under Unionist guidance.

In the midst of these Party declarations two Provincial issues received definite statements of policy from the Government. The first concerned disputes between the Province and the municipali-

ties over the question of municipal relief. This had been a contentious issue for some time and had also played a considerable part in Party politics. In view of the tremendous increase in the amount of Provincial grants to municipalities from \$3,603,195 in 1921-22 to \$7,327,369 in 1931-32 (of which only a small portion was repayable), the Government decided on Nov. 19, 1932, to limit Provincial relief contribution to the municipalities to \$100,000 monthly—to take effect Dec. 1 and to last until March, 1933. Previously, an offer had been made to the municipalities, and rejected, whereby they would have had charge of all civic relief at a fixed cost to the Government. The institution of this unit cost scheme aroused strenuous objections among the municipalities, which found expression in a "Memorial" submitted to the Government by the Union of British Columbia Municipalities in December. The Government, however, at that time, stood firmly by their decision. Discussions on the subject were frequent throughout the 1933 Session of the Legislature, and in accordance with an announcement given by the Government during the Debate on the Budget, a Royal Commission was appointed on May 12 under the Public Inquiries Act to investigate all matters affecting British Columbia Municipalities, particularly their financial relationship to the Government; His Honour Judge A. M. Harper of the County Court of Vancouver (Chairman), Herbert Anscomb, Victoria, and A. McD. Paterson, Ladner, were the three Commissioners.

Another long-standing problem was that of irrigation loans. Following the receipt of representations from certain irrigation districts of British Columbia of their inability to carry the existing burden of loans made to them by the Government, the latter, after careful consideration, decided to adopt recommendations providing for a rebate of \$1,465,000 of irrigation loans, made by Hon. N. S. Lougheed, retiring Minister of Lands, who had made a thorough survey of the situation. In an official announcement concerning this step, the Prime Minister (Mr. Tolmie) on June 3, 1933, explained that it was not the expenditure of fresh money that was contemplated but the wiping out of loans which had been made many years previously and which were irretrievably lost. According to a summary of this statement (*The Daily Colonist*, June 4), the new policy meant the closing out of the Conservation Fund, with cessation of all further loans; a partial moratorium to allow irrigation districts to regain firmer positions, and the setting up of sinking funds in each area to retire the adjusted debt at maturity on an ascertained ability to pay. As a direct result of the adoption of this new policy, Hon. W. A. McKenzie, Minister of Mines, had submitted his resignation to the Prime Minister two days previously (June 1). In a formal statement issued at the same time Mr. McKenzie reviewed the action of the Government regarding irrigation loans during the previous few years, pointing out that in 1930, following a detailed survey of irrigation districts by W. Sanford Evans of Winnipeg, areas heavily in debt to the Provincial Government had been

granted reductions amounting to \$930,900; these, with additional easements and concessions, aggregated approximately \$1,500,000 in relief to the districts affected. He contended, therefore, that not only was further action in that direction unnecessary and directly contrary to the policy of rigid economy in all expenditures to which the Government were pledged, but that it also discriminated against certain districts and against other industries of the Province.

Meanwhile, following the announcement of the retirement (to take effect May 31), in accordance with his plans for reducing the size of the Cabinet, of three Ministers of the Government: Hon. W. C. Shelly, President of the Council; Hon. N. S. Lougheed, Minister of Lands, and Hon. William Atkinson, Minister of Agriculture, the first step toward the formation of a Union Administration was taken by the Prime Minister in the appointment of William Middleton Dennies, President of the National Labour Council, as Minister in charge of a new Portfolio of Labour. Hon. W. A. McKenzie, formerly Minister of Mines and Labour, was to retain the Portfolio of Mines but, upon his subsequent resignation as a result of the Government's policy on irrigation loans, that Portfolio was added to the duties of Hon. S. L. Howe, Provincial Secretary and Commissioner of Fisheries. On June 27, Hon. R. W. Bruhn, Minister of Public Works, who had been an enthusiastic supporter of a Union Government a year previously, also sent in his resignation to the Prime Minister, stating, as his reason, that "no real union has been formed nor do I see any prospect of your being able to form one."

Although the life of the Seventeenth Legislature was to end on Aug. 31, no date was set for the approaching General Election before the end of June, 1933. Speaking tours, however, were in progress, and nominations had already taken place in several constituencies.

The Kidd Committee. The Report of this voluntary Committee (Chairman, George Kidd), appointed by the Government in April, 1932, at the request of a group of business organizations of British Columbia, to investigate the finances of the Province, was presented to the Government on July 12, 1932, and was made public on Aug. 30. The recommendations contained therein, the majority of which, after careful consideration were rejected by the Government, included the following: assumption by the Lieutenant-Governor of active supervision of Government expenditure; reduction in the membership of the Legislative Assembly from 48 to 28, and of those of the Executive Council from 11 to 6; the grouping of the services of the Lands, Agriculture and Mines Departments under a new Department of Natural Resources, the merging of the Department of Education with the social services of the Provincial Secretary's Department under a new Department of Social Services, the transfer of the duties of the Department of Labour to the Department of the Attorney-General and the handing over of the control of Fisheries to the Dominion; the abandonment of the Pacific Great Eastern Railway unless sold within nine months, and the reduction of operating expenses to a minimum in the meantime; the discontinuance of the grant to the University of British Columbia and the possible closing of that institution; the reduction of 25 per cent. in the aggregate of teachers' salaries; limitation of the age for free education to the end of the 14th year and many other drastic changes concerning education; the cessation of all public works, with the exception of essential road maintenance and betterments; and, finally, the curtailment to the extent of \$6,000,000 of the total annual expenditures of the Province.

The official reply of the Government to the Kidd Committee (issued on Sept. 22 and later embodied in an appendix to the Report) expressed the accord of the Government with the principle on which the Report was based—namely, that unnecessary demands by the public on Government services should cease. It corrected alleged inaccuracies in certain statements and presented the attitude of the Government toward each of the Committee's suggestions. In the case of some items action had already been taken by the Government prior to the presentation of the Report. Although it was stated that a further reduction of \$6,000,000 in expenditures was utterly impossible, attention was called to the 1932-33 Estimates which had shown economies effected in Current Expenditures amounting to \$5,849,281 and the limitation of Capital Expenditures to \$500,000. While fully realizing that for years the Province had been living beyond its means and piling up a huge Debt, the Government objected to the Report's description of the situation as "the present desperate condition of the Government's finances" and the accompanying intimation that the Province was in danger of insolvency. In this connection the Government pointed out that British Columbia had a larger Sinking Fund than any other Province and was the only Province that was providing Sinking Funds to retire its total debt at maturity. It was estimated that within ten years over \$50,000,000 of the Debt would be retired by means of these Funds. Fuller information was supplied by the Government concerning the functions of the various administrative Departments, whose efficient service, it was maintained, would be seriously hampered by such alterations as were suggested by the Committee. The advantages of Provincial control of the Fisheries were shown, of which the most obvious lay in the fact that the average yearly value of production was approximately \$22,000,000. With regard to the question of closing the University of British Columbia, the Government asserted that unless such action were absolutely essential, the idea should not be, and would not be entertained for a moment. The recommendations concerning the sale or disposal of the Pacific Great Eastern Railway and the exercise of economy in the interval were concurred in by the Government, but they declared that discontinuance of operation was out of the question in view of the indispensable character of the Railway's services.

The Fifth Session of the Seventeenth Legislature

The Speech from the Throne delivered by the Honourable J. W. Fordham Johnson, Lieutenant-Governor of the Province, at the opening of the Fifth Session of the Seventeenth Legislature of British Columbia on Feb. 23, 1933, referred briefly to the prevailing economic conditions and to their general effect upon the industrial life of the Province. It stated that the possibilities that lay in the more extensive development of the mineral resources of the Province were being increasingly recognized; that though agriculture had suffered as had every other industry, it was hoped that the situation would be largely remedied through the preferences accorded agricultural products at the Imperial Economic Conference in July, 1932; and that deep sea shipments of timber from British Columbia in 1932 had shown an increase of 10 per cent. Mention was made of the revision and modification of the price and terms of sale of ordinary Crown lands and lands reverted for taxes, which had been effected with a view to enabling *bona fide* settlers to acquire, more easily, lands as a medium for self-support. The Speech announced that the claims of the Province for better financial terms from the Government of Canada had been placed before the latter; this touched upon an issue into which an investigation had long been

urged. It declared that the Dominion-wide regulations concerning unemployment relief would be continued until the economic situation had shown material improvement. Other events of the year referred to, in addition to the Imperial Economic Conference, were the Inter-Provincial Conference at Ottawa in the preceding month (January) at which the Government were represented; the organization, by the Agent-General of the Province at London, England, of the first British Columbia inspectional tour of the Dominion, which had sailed from Liverpool at the end of May, 1932; and the regretted death of Michael Manson, Member of the Legislature for Mackenzie.

The Motion that an Address be presented in Reply to the Speech from the Throne was introduced by H. D. Twigg (Con., Victoria City), and seconded by James Fitzsimmons (Con., Kaslo-Slocan). The Leader of the Liberal Opposition (T. D. Pattullo) in speaking to the Motion on Feb. 27, strongly condemned the "wanton extravagance and an orgy of spending" by the Government and pointed out the need of the Province for decisive action in order to solve its pressing problems. Specific charges laid at the door of the Government by Mr. Pattullo included those of failure to provide for unemployment both in its initial stages and in its existing form; of unnecessary increase in taxation; of useless expenditure on commissions and investigations, which had either yielded no concrete results or had been exploited to the advantage of the Conservative Party; of a "jerry-mander" of Liberal ridings; of the exercise of "ruthless partisanship" in Government employment; and, finally, of the "policy of secrecy and ballyhoo" on which the whole system of their administration was based. The inauguration, by drawing on the national credit, of a programme of public works with real wages to combat the evils of unemployment, was advocated by the Opposition Leader, who also suggested that national and provincial economic councils should be organized in order to devise a plan of creating employment. Mr. Pattullo moved a non-confidence Amendment to the Address, which was lost, however, by a vote of 33 to 11.

On the following day the Prime Minister, Hon. S. F. Tolmie, in defence of his Administration, gave a short review of the achievements of the various Government Departments during a four-year period of economic upheaval. Referring to the request made by the Provincial Government to the Dominion Prime Minister, (Rt. Hon. R. B. Bennett) for an examination of the claims of British Columbia for better terms from the Dominion Government, he pointed out that the latter were receiving more from that Province in Excise and other taxes than from any other Province in the Dominion; since Confederation their people had paid to the Federal Treasury \$600,000,000 and had received by way of subsidies only \$25,000,000. In a brief statement regarding the Pacific Great Eastern Railway, Mr. Tolmie announced that definite negotiations were then underway with a view to interesting British capital in the undertaking. Efforts toward this end were also being made in the United States. In

conclusion the Prime Minister expressed grave doubts concerning the practical application in such difficult times of the ideas of the Opposition Leader with regard to creating public works throughout the Dominion with real wages.

In support of the Government, Hon. R. W. Bruhn, Minister of Public Works, spoke on Mar. 1, declaring that it was time that real remedies should be produced and decrying Mr. Pattullo's suggestion of drawing on the national credit to create works. "If he had as much experience with seeking financial assistance from the Dominion as we have had," he stated, "he would not talk about national credit." The abolition of Party lines and the formation of a Union Government were strongly advocated by Mr. Bruhn, as was also the reduction of interest rates on the Public Debt by refunding. Referring to the criticism levelled at the administration of unemployment relief which was under the control of his Department, he stated that he would welcome the fullest investigation of all relief matters through the Public Accounts Committee. Dr. C. M. Kingston (Con., Grand Forks-Greenwood), who was the next speaker, upheld Mr. Bruhn in both his plea for a union of Provincial forces and for that of a reduction in interest rates. "At a time like the present, all our efforts ought to be devoted to the problems of our debts, taxes and conditions to be remedied," he maintained. George S. Pearson (Lib., Nanaimo), who spoke on Mar. 3, opposed the idea of a non-Party Government, declaring that what was needed was a Liberal Government with Liberal reforms; he proposed a graduated income tax, with a heavy contribution from the higher incomes; a levy on surplus incomes and a levy on surplus capital through compulsory bond subscription.

The Debate continued for some days, with further criticism, constructive and otherwise, from the Opposition forces, and a variety of proposals from all participants, among whom were included: J. Lou-tet (Con., N. Vancouver); Dr. J. J. Gillis (Lib., Yale); R. Mackenzie (Con., Cariboo); T. A. Uphill (Lab., Fernie); Hon. William Atkinson (Con., Chilliwack); Hon. J. Hinchliffe (Con., Victoria City); H. C. Wrinch (Lib., Skeena); Hon. N. S. Lougheed (Con., Dewdney); G. A. Walkem (Con., Vancouver); T. King (Lib., Columbia); and Dr. R. W. Alward (Con., Fort George). On Mar. 13, the Motion to Address a Reply to the Speech was adopted.

The Budget Address. The Actual Revenue for 1931-32 (the year ended Mar. 31, 1932), as given in the Budget Address of Hon. J. W. Jones, Minister of Finance, on Mar. 15, 1933, was \$22,162,657, and the Actual Expenditure, \$29,214,218, leaving a Deficit of \$7,051,561 (unforeseen expenditures, such as unemployment relief, amounted to \$2,194,215). These figures compared with an Estimated Revenue of \$28,088,696 and an Estimated Expenditure of \$28,080,030.

In moving the Resolution that the House resolve itself into Committee of Supply, Mr. Jones gave an outspoken *résumé* of Provincial economic conditions. "I propose that this House shall understand the facts fully and completely, for only by facing them, only by knowing the worst and meeting it, can we maintain the finances of this Province. The time is long past for

whistling to keep up our courage, for blaming one another, for digging up past mistakes, for seeking to take political advantage of any sort out of our financial situation. We are here as British Columbians, staggering under a load common to human beings the world over, and it behooves us, I think, to take counsel together and see how we can best carry this load until better days return."

According to the Balance Sheet there was at Mar. 31, 1932, an excess of Assets over Liabilities of \$33,337,364, Assets aggregating \$195,742,831 and Liabilities, \$162,405,467. There was an increase during the year of \$12,368,221 in the Gross Public Debt (\$154,829,704) of the Province; borrowings to finance unemployment relief costs accounted for \$8,922,566 of this increase. The Net Debt as at Nov. 1, 1932, was \$120,622,058. Mr. Jones stated that as to principal and interest, approximately \$78,000,000 were payable in New York, \$30,360,000 in London and \$46,400,000 in Canada, with the following annual interest charges: \$3,650,000 in New York, \$1,258,000 in London and \$2,364,000 in Canada. The satisfactory position of the Province, he said, with regard to its Sinking Funds was to be seen in the increase, since Nov. 1, 1931, of \$2,491,303, the total Funds at Nov. 31, 1932, amounting to \$29,177,037, which were about \$2,950,000 above theoretical requirements. He stated that yearly earnings of Sinking Funds were \$98,750 above requirements. Sinking Funds and self-supporting items marked 22 per cent. of the Gross Debt.

In presenting the Estimates of Revenue and Expenditure for the fiscal year 1933-34, Mr. Jones emphasized his belief that if there was any miscalculation in the amount of revenue anticipated, which was \$4,346,175 less than that for 1932-33, it was on the low side rather than on the high one. The 1933-34 Estimates showed a Deficit of \$2,332,003, with Revenues totalling \$20,497,591 and Expenditures, \$22,729,594. Departmental Expenditures, amounting to \$12,057,949, showed a reduction of \$7,420,518, as compared with those estimated for 1932-33.

The Minister of Finance announced that, even with expenditures cut to the limit, an additional \$3,000,000 revenue from taxation was required to balance the Budget. The Government, however, he said, had decided that doubling the tax on the average income at such a time would spell disaster in many cases, and they were, therefore, submitting proposals which affected those with higher incomes only. The following were the suggested changes: a surtax on incomes, graduating from 1 per cent. on the first \$2,500 of income in excess of \$5,000 to 18 per cent. on that in excess of \$50,000, and estimated to yield approximately \$350,000; a surtax of 25 per cent. on Succession duties, which meant an increase in revenue collectable from this source of \$315,000; a reduction from five mills to two mills in the taxation of lands not included in school districts for educational purposes; and the discontinuance of grants to municipalities by way of liquor profits and pari-mutuel taxes, which in 1933-34 would have amounted to about \$640,000.

Vehement denunciation of the burden placed on the shoulders of the Province by previous Governments in office was the keynote of Mr. Jones' Address. In a period of 21 years (1911-32) 19 Deficits had been incurred, he said. Capital borrowings to meet the demand for public services had resulted in the accumulation of an enormous Debt during a time of comparative prosperity, instead of the building up of reserves to provide for emergency financial conditions. The Minister, in conclusion, spoke of the possible necessity of a further reduction of Government contributions toward unemployment relief. He declared his belief, however, that recovery was not far distant. The Government, he stated, were determined to foster the "back-to-the-land movement" and were making every effort to stimulate and develop Provincial industries.

In his attack (Mar. 16) on the Budget, the Liberal Opposition Leader (T. D. Pattullo) declared that the Government had not practised the economy that they had preached, as they had incurred the largest expenditure in the history of the Province. He affirmed that the Revenue for 1933-34 as given by the Minister of Finance, was over-estimated and the Expenditure under-

estimated. "Since it (the Government) took office," the Liberal Leader complained, "we have been going behind at the rate of \$1,000,000 a month; interest charges have increased from \$4,000,000 to nearly \$7,000,000; and the banks are charging $5\frac{1}{2}$ per cent. interest, where it used to be 5." The possible cessation of assistance to the unemployed and the reduction of grants to the municipalities were two features of the Budget strongly condemned by Mr. Pattullo. He also criticized the fact that the Estimates contained no provision for fire-fighting, *reconnaissance* surveys, timber cruising, forest research, reforestation, lands and topographical surveys. As a remedy for the existing financial situation in the Province, he again proffered the suggestion he had put forth in the Throne Speech Debate: that "we use the national credit to the extent of \$300,000,000 to \$400,000,000 to start things going." Mr. Pattullo concluded his speech with a demand that the Prime Minister make a declaration of policy before the current Supply was voted.

Hon. R. L. Maitland, K.C., Minister without Portfolio, delivered a vigorous defence of the Government's administrative policy, particularly with regard to roads, agriculture, trade and finance. He maintained that the greatest reduction in the history of any Provincial administration in Canada since Confederation had been made in the previous two Budgets.

On an Amendment to the Supply Motion, moved by A. W. Gray (Lib., New Westminster) on Mar. 23: "that this House regrets the lack of proper consideration by the Government of the financial problems confronting the municipalities," the Government was sustained, on division, by a vote of 27 to 13. During the debate on this Amendment, Hon. R. H. Pooley, K.C., speaking for the Prime Minister who was absent on account of illness, announced the Government's intention to appoint, immediately, a Royal Commission to inquire into the whole question of Provincial and municipal taxation and revenue sources.

Several days later, Mr. Pooley also read the Prime Minister's contribution to the Debate. It was mainly confined to a plea for assistance in the creation of a Union Government that would assure a stable administrative policy following the General Election.

Other speakers in the Debate, which lasted until Mar. 29, when the Main Motion was finally agreed to, included: Lieut.-Col. Nelson Spencer (Con., Vancouver); Capt. James Fitzsimmons (Con., Kaslo-Slocan); L. A. Hanna (Lib., Alberni); G. S. Pearson (Lib., Nanaimo); T. A. Uphill (Lab., Fernie); Thomas King (Lib., Columbia); Hon. W. A. McKenzie (Con., Similkameen); J. J. Gillis (Lib., Yale); Hon. Joshua Hinchliffe (Con., Victoria City) and Hon. W. C. Shelly (Con., Vancouver).

Prorogation and Legislation of the 1933 Session. Of the 85 Bills—chiefly Amendments to existing legislation—assented to at the 1933 Session of the Legislature, which was prorogued on Apr. 7, the most important were: an Amendment to the Government Liquor Act, reducing the fee for an individual permit from \$2.00 to 25 cents, permitting the sale of bottled beer for consumption elsewhere than on licensed premises and cancelling the grant previously given to the municipalities from liquor profits; an Act providing for the imposition of a new duty (a meal tax) in aid of hospitals; an Act to amend the Public Schools Act, revising the teachers' salary schedule and extending partial control of school costs to municipal councils; an Act to amend the Mortgagors' and Purchasers' Relief Act, 1932, renewing that legislation and granting three months' additional grace to mortgagors in foreclosure proceedings; an Act to amend the Municipal Act, giving city councils power to postpone sinking fund payments for 1933 at their discretion and reducing the penalty on unpaid taxes to a maximum of 10 per cent.; an Act respecting Unemployment Relief; Acts giving relief to irrigation districts in dyking areas, and legislation embodying the Budget proposals concerning Income and Succession duties.

Departmental Reports; Education

According to the Annual Report of the Public Schools of the Province for the year ended June 30, 1932, enrolment in the schools increased during the year from 113,914 to 115,919, divided as follows: high, 18,134; superior, 716; junior high, 5,816; and elementary, 91,253. The average daily attendance increased from 99,375 to 103,510, while the percentage of regular attendance was 89.29. Teachers employed numbered 3,959, an increase of 11 over the previous year, and 19 more school districts were organized, bringing the total to 830. Government expenditure for education amounted to \$4,015,074, as compared with \$3,834,727 in 1930-31. This increase was due to the fact that the Government paid a much larger portion of the teachers' salaries in 1931-32 than formerly. Although there were over 2,000 more pupils in attendance at school during the period under review, the total cost of education to the Province for that year was actually \$342,000 below that for 1930-31. The Normal School tuition fees for the fiscal year 1932-33 were increased from \$40 to \$100 according to a statement made by the Minister of Education in July, 1932.

Following upon the failure of the Committee appointed by the Government, and composed of business men and representatives of the Teachers' Federation and the School Trustees Association, to arrive at a satisfactory solution of the question of teachers' salaries, Hon. Joshua Hinchliffe, Minister of Education, in December, 1932, announced the Government's decision on the matter. The Government appropriation for the Department of Education was reduced by \$500,000, the proportion of aid to be given toward the payment of salaries being based on the assessed value of property in the various districts and municipalities. Although the new method set separate scales for aid to teachers in elementary schools and for those in high schools, and established a minimum salary, the actual scale of salaries was left in the hands of school boards.

The total enrolment of students at the University of British Columbia during the 1932-33 session was 1,739, of which number 331 received degrees at the Annual Convocation in May, 1933. On the same occasion the honorary degree of Doctor of Laws (LL.D.) was conferred upon His Honour F. W. Howay, LL.B. At the special Convocation on June 13, in honour of the Fifth Pacific Science Congress, a similar degree was bestowed upon Charles Joseph Gravier, Agrège de l'Université, D.Sc., Professor of Zoology, National Museum of Natural History of Paris, France; Geoffrey Ingram Taylor, D.Sc., F.R.S., Yarrow Research Professor of the Royal Society; Shinkishi Hatai, Ph.D., Professor of Zoology, Tohoku Imperial University, Japan; Gerrit van Iterson, Dr. Ir., Professor at the Technical University, Delft, Holland; Thomas Wayland Vaughan, Ph.D., Professor of Oceanography of the University of California; Henry Marshall Tory, D.Sc., President of the National Research Council of Canada; and Wen Hao Wong, D.Sc., Director of the Geological Survey, Peiping, China (*in absentia*). Two retirements from the University staff took place during the year: that of James Henderson, M.A., who was made *Emeritus* Professor of Philosophy and that of H. Ashton, Litt.D. (Cantab.), D.Litt. (Univ. Paris), Professor and Head of the Department of Modern Languages. It was announced that the Carnegie Foundation had made a grant to the University Library of \$15,000, of which \$5,000 had been received during the period under review.

The existence of two governing bodies, the Senate and the Board of Governors, was maintained to be the root cause underlying the "troubles" at the University of British Columbia in the Report of His Honour, Peter S. Lampman, adopted by the Board of Governors on July 15, 1932. Judge Lampman had been appointed by the Board to inquire into University affairs in May, complaints against the administration of the President, L. S. Klinck, D.Sc., having been voiced by the students, Faculty and Senate of the Univer-

sity. No other definite recommendations were made in the Report, beyond a criticism with regard to the unmanageable size of the Senate and to the action of the Faculty of Agriculture in urging the establishment of a Department of Home Economics, and to the provision of additional funds for that purpose by the Government when the total appropriation of the University had been reduced to only \$250,000. The President's administration policy was generally upheld and disapproval expressed of student interference in matters entirely outside their sphere of activity.

Public Works. The mileage of highway construction and improvement undertaken by the Department of Public Works during the year ended Mar. 31, 1932, showed a reduction as compared with the three preceding years, according to the Report of the Chief Engineer, P. Philip. Much of the work was carried out under the heading of unemployment relief, a total of 267,923 man-days' work having been provided under the 1930 Act, during the year under review, and 8,561,765 man-hours under the 1931 Act. Extensive work of construction and reconstruction on the Trans-Canada Highway was commenced and to a great extent completed during the year. Bridges constructed in 1931-32 included a concrete and steel bridge at Ashcroft over the Thompson River, 780 feet long and two timber bridges with concrete piers over the Nechako River, near Prince George and over the Columbia River at Goldstream on the Big Bend Highway. Departmental expenditures for the year totalled \$7,989,581.

Licences for public passenger vehicles issued during the calendar year 1931 numbered 248 and for public freight vehicles, 226. At Mar. 31, 1932, there were 149 passenger licences and 141 freight licences in force. The sum of \$13,289 was collected in licence fees during the year.

The Report of the Department of Railways presented at the 1933 Session of the Legislature estimated that the railway mileage under jurisdiction of the Provincial Government in 1932 totalled 1,762 miles, made up of Common Carriers, 797 miles, and Industrial Railways, 965 miles. These Railways had 228 locomotives and 6,503 of other rolling stock.

Labour. The total payroll, amounting to \$72,606,375, for the calendar year 1932, as calculated from 3,529 firms making returns to the Department of Labour, represented the lowest point reached since 1921. This was a decrease of \$23,690,193 from that of the previous year. Adding to the above figure the payrolls of those industries from whom returns were not received, the total amount for the year was estimated at \$102,957,074. Labour disputes in 1932 numbered eleven, affecting 4,136 men and causing a loss of 37,740 working days, as compared with the same number of disputes, though of longer duration, in 1931, which affected 2,322 men and caused a loss of 79,310 working days. The Employment Service reported a total of 137,730 applications received and 37,542 placements made during the year.

The Minimum Wage Board stated that eleven court cases for infraction of the law had been conducted in 1932 and a total sum of \$2,841 collected from cases settled both within and without court. The average weekly wage for women of 18 years of age or over showed a decline from \$16.71 in 1931 to \$15.53 in 1932, which coincided, however, with a shorter average week of 42.07 hours, as compared with 43.03 hours in the previous year. Returns from employers regarding changes put into effect for the sake of economy, showed that 1,271 firms made no change in 1932, 505 firms reduced their staff, 1,478 employees were laid off, 1,470 employees were placed on short time, 541 firms made cuts in wages, and 2,771 employees were affected by wage cuts, which ranged from $1\frac{1}{2}$ to 53 per cent., the majority being 10 per cent. or over.

The number of employing firms reported by the Workmen's Compensation Board to be within the scope of the Act at the end of the calendar year 1932 totalled 7,654, the payroll figures of which amounted to approximately

\$120,000,000. At the end of the year there were 793 widows, 944 children, 128 dependent mothers, 35 dependent fathers and 31 other dependants in receipt of pensions. In addition, 1,988 partially or totally disabled workmen were in receipt of regular monthly cheques for amounts varying with the extent of their permanent disabilities. Compensation, including medical and hospital attention to injured workmen, together with pensions to dependants of those losing their lives in industrial accidents settled in 1932, totalled \$2,307,445. The administration cost for the year was \$4.06 for every \$100.00 collected.

The sum paid out in Old Age Pensions for the fiscal year ended Mar. 31, 1933, amounted to \$1,583,196, bringing the total expenditure in this connection, since the inception of the Act in 1927, to \$6,302,661. The number of pensioners on the payroll of the Province at Mar. 31, 1933, was 7,086, while those to whom the pension had been granted since 1927 totalled 9,891.

The Superintendent of Welfare reported that the total amount expended by the Province during the twelve months ended Mar. 31, 1932, in Mothers' Pensions, was \$842,977. The number of cases at that date totalled 1,614 and the number of children benefited, 3,490.

Agriculture. With regard to the value of farm products, the 27th Annual Report of the Department of Agriculture stated that agriculture in 1932 took first place in the Province over all other basic industries. Statistics for the calendar year showed the total value of production to be \$34,373,926, a decline from the previous year of \$5,733,709. There was a total decrease of \$3,048,473 in the value of agricultural products imported during the year, those from other Provinces having a value of \$9,206,060, and those from foreign points, a value of \$1,165,166. The value of exports was estimated at \$5,795,149, a decrease of \$401,856 from the previous year.

A record fruit crop was reported for the year 1932, the total production amounting to 262,086,000 lb., valued at \$5,227,063, as compared with that for 1931 of 182,014,000 lb., valued at \$4,928,781. The apple crop, totalling 222,834,000 lb., was 72,262,000 lb. in excess of that of 1931. An increase of 35.70 per cent. in quantity production was shown by other tree fruits, the 1932 crop amounting to 27,000,000 lb., as against 19,896,000 lb. in 1931.

The expansion in field production was mostly responsible for the increased vegetable crop of 1932, of which the aggregate was 70,337 tons, as compared with 66,918 tons produced in the previous year. The value of the 1932 crop, however, was only \$1,893,137, a decrease of \$482,927 from that of 1931.

The total area sown to field crops during the period under review was 508,370 acres, an increase of 5,406 acres from the area sown in 1931. The production of all grains was estimated at 6,479,827 bus., valued at \$2,552,602, of which amount wheat accounted for 1,408,037 bus., and oats, 4,422,106 bus. Fodders produced totalled 654,031 tons, valued at \$6,624,526, and root-crops, 168,325 tons, valued at \$2,072,384.

The value of all dairy products in 1932 was \$9,420,283, as compared with \$11,571,993. Creamery butter made amounted to 5,183,495 lb., a decrease of 254,810 lb. from that made in 1931, and the quantity of cheese manufactured in 1932 was only 431,265 lb., as compared with 750,885 lb. in the previous year. There was an increase of 175,400 lb., however, in the amount of dairy butter made, the total being 2,585,400 lb. A total of 17,255,000 gal. of fresh milk was consumed during the year, or 265,000 gal. more than in 1931.

The numbers of live stock in the Province at the end of the year showed a marked increase with the exception of poultry which decreased, by almost a million. Eggs produced amounted to only 18,374,400 doz. as against 23,768,833 doz. in 1931. A substantial increase was reported in tobacco production and a smaller one in wool. Honey showed a slight decrease.

Mines, Fisheries and Lands. Lower metal prices, smaller outputs of zinc, copper and coal and a decline in building and construction were

declared, in the Annual Report of the Minister of Mines for the calendar year 1932, to be responsible for the decrease from the previous year of 19 per cent. in the gross value of the mineral production of the Province. This was estimated at \$28,241,618, as compared with \$34,883,181 in 1931. Gold production, however, showed a 24 per cent. increase during the period under review and, that of lead, a smaller one. The quantities and values of mineral production in 1932 as compared with those for 1931 were as follows:

Description	1931		1932	
	Quantity	Value	Quantity	Value
Gold, placer	17,176 oz.	\$ 291,992	20,400	\$ 346,800
Gold, lode	146,039 oz.	3,018,894	181,564	3,753,261
Silver	7,524,320 oz.	2,247,514	7,130,838	2,258,453
Copper	63,194,299 lb.	5,289,363	49,841,009	3,179,956
Lead	248,783,508 lb.	6,742,282	254,488,952	5,378,878
Zinc	205,071,247 lb.	5,237,520	192,120,091	4,621,641
Coal	2,240 tons, 1,707,590 lb.	7,684,155	1,534,975	6,523,644
Structural materials		3,553,300		1,698,839
Miscellaneous metals and minerals		818,161		480,146
TOTALS		\$34,883,181		\$28,241,618

The total value of the fisheries production of British Columbia for 1932, as given in an advance Report issued by the Dominion Bureau of Statistics, was \$9,914,071, as compared with \$11,108,873 in the preceding year. The salmon fishery, with an output value of \$7,592,460, accounted for 77 per cent. of the 1932 total. Fish caught and landed totalled 3,450,409 cwt. with a value of \$4,691,095 to the fishermen, as against a catch of 4,649,962 cwt., valued at \$5,880,985 in 1931. Capital invested in the fishing industry during the year under review amounted to \$18,935,912, compared with a total of \$20,750,317 invested in 1931. There were 89 establishments in operation, a decrease of ten from the previous year, and the total number of persons employed in the industry was 14,823, compared with 13,940 in 1931.

The total revenue received during the calendar year 1932 by the Lands Branch of the Department of Lands was \$218,814, from the following sources: land sales, \$78,537; land revenue, \$91,100; "Coal and Petroleum Act", \$27,748; and sundry receipts, \$21,430. Total cash received amounted to \$317,456. There were 795 Crown grants issued during the year and the total acreage deeded was 58,470 acres.

The Forest Branch of the Department reported that the year 1932 had been the worst industrial year experienced since 1914, forest revenue having declined 43 per cent. since 1929 alone and expenditures having been reduced 66 per cent. since the same date. The value of lumber production in 1932 amounted to \$35,157,000, as against \$44,447,000 in 1931, while the total amount of timber scaled was 1,611,458,461 f.b.m., a decrease of 336,945,812 f.b.m. from the previous year's figure. An increase in the volume of lumber trade to the United Kingdom was reported, exports in 1932 totalling 108,314,682 f.b.m., which amounted to 77 per cent. of the total North Pacific trade, as compared with 45 per cent. in 1931. The total water-borne lumber trade in 1932 amounted to 446,889,543 f.b.m., as against 566,129,250 f.b.m. in 1931. The Province was practically excluded from the United States market in 1932 owing to the tariff on lumber which became effective in July of that year.

Health and Vital Statistics.

The 36th Annual Report of the Board of Health covering the 18 months ended Dec. 31, 1932, commented on the additional work undertaken by the Department in connection with the provision of medical service and sanitation to relief camps. An outbreak of 56 cases of hæmorrhagic smallpox, resulting in 16 deaths, occurred early in 1932 in Vancouver, but the further spread of the disease was prevented by a wholesale vaccination of nearly 90,000 persons. With regard to other infectious diseases, it was stated that special cancer investigations were in progress; that diphtheria cases reported had fallen from 815 in 1929 to 83 in 1932, due to the widespread use of toxoid; that, out of the 7,836 cases of influenza'

recorded, 7,500 had occurred during the epidemic of November and December, 1932; and that only 49 cases of typhoid fever had broken out as compared with an average of 93 for the three preceding years.

According to the Vital Statistics Report for the calendar year 1931, live births, including Indians, numbered 10,404, or a rate of 14.98 per 1,000 population, as against 16.1 for the previous year; deaths, 6,114, or a rate of 8.8, the same as that for 1930; and marriages, 3,879, a decrease in rate from 7.9 in 1930 to 5.6. There were 642 deaths from tuberculosis in 1931 as against 620 in the preceding year, and 724 from cancer, as compared with 708 in 1930. The Province continued to have the lowest infant mortality rate in the Dominion—that of 49.7—while the Dominion rate was 84.8.

The Superintendent of the Tranquille Sanatorium in his Annual Report for the year ended Mar. 31, 1932, stressed the need of greater vigour in attacking the tuberculosis problem in the Province. The daily average population of the Sanatorium was 330; the number of patients admitted, 241; the number treated, 568; and the total number of patient-days, 120,654.

A total of 2,676 persons were in residence in the three Provincial Mental Hospitals at Mar. 31, 1932. Discharges numbered 278, of whom 58 were recovered, 173 were improved, while 47 remained unimproved. Of these, 51 were deported and 24 repatriated. The rate of discharges to admissions for the fiscal year 1931-32 was 63.5 per cent. 181 patients died during the year.

Department of the Attorney-General. There was a slight reduction in the assessed values of property in the municipalities—lands by the amount of \$9,680,084, and improvements by the amount of \$11,060,079—according to the Annual Report for the calendar year 1932 of the Inspector of Municipalities. Arrears of taxes in the cities, districts and villages amounted to \$8,581,605, as compared with the previous year's total of \$5,785,895; taxes levied totalled \$20,710,926; receipts from all forms of taxation, \$28,111,219; and expenditures, \$31,013,520.

Total sales amounting to \$11,753,942 for the year ended Mar. 31, 1932, showed a decrease of \$2,981,480, when compared with those of the previous year, according to the Annual Report of the Liquor Control Board. The sum of \$2,571,914 was paid to the Federal Government during the year under review, of which \$2,066,456 was Duty; \$299,290, Excise; and \$206,168, Sales tax. Licences issued numbered 414, while the revenue derived from the sale of permits amounted to \$128,622, a decrease of \$39,237 under the previous year. The total number of prosecutions for all offences under the Government Liquor Act was 2,379, as compared with 3,597 in 1930-31. The fee for an individual liquor permit was reduced from two dollars to twenty-five cents through an Amendment to the Liquor Act passed at the 1933 Session of the Legislature.

The Commissioner of Provincial Police reported that the strength of the Force at Dec. 31, 1932, stood at 294, enlistments during the year numbering 37 and discharges, 18. A total of 5,001 cases were prosecuted by the Criminal Investigation Branch, as against 5,345 in 1931. The large number of Doukhobors prosecuted under the new section of the Criminal Code completely offset the declines recorded under other headings. Licences issued by the Motor Branch numbered 82,658, as compared with 96,498 issued in 1931, and the total gross revenue derived amounted to \$1,971,604, a decrease of \$127,949 from that of the previous year. Convictions for motor offences numbered 2,930 in 1932, and there was a decrease from the previous year of 32.2 per cent. in the number of drivers' licences suspended or cancelled.

The loss in revenue experienced by the Game Department during the calendar year 1932 was stated by the Game Commissioner (A. Bryan Williams) to have been occasioned by the decrease in the number of trappers and in the number of non-resident sportsmen, resulting in lower fur prices

and, consequently, lessened royalty returns, together with a reduction in the receipts from licence and trophy fees. Another contributory fact in this regard was the large number of free licences issued, totalling 11,517, of which number 5,411 were prospectors' and 6,106 farmers', as compared with a total of 6,123 free licences issued in the previous year. The total revenue derived from the sale of game licences, fees and furs in 1932 amounted to \$141,269, as against \$137,233 in 1931, and from the fur trade, \$40,364, as against \$46,091. The sum of \$5,493 was received from fines imposed in connection with 497 convictions. It was stated that the tagging of deer, a new system inaugurated during the year, had proved unsuccessful, and that another and simpler one had been devised for the ensuing year. Plans for improved fishing conditions were reported to be under way by the recently established Fishery Branch of the Department.

The Province of British Columbia

(As at June 30, 1933)

Lieutenant-Governor Hon. J. W. Fordham Johnson

The Tolmie Ministry (Conservative)

Prime Minister, Minister of Agriculture and Minister of
Railways Hon. S. F. Tolmie
Provincial Secretary, Minister of Mines and Commissioner
of Fisheries Hon. S. L. Howe
Attorney-General and Minister of Public Works Hon. R. H. Pooley, K.C.
Minister of Finance and Minister of Industries Hon. J. W. Jones
Minister of Education and Minister of Lands Hon. J. Hinchliffe
Minister of Labour Hon. W. M. Dennies
Minister without Portfolio Hon. R. L. Maitland, K.C.

Speaker of the Legislative Assembly (Vacant)

Heads of the Administrative Services

Deputy Provincial Secretary P. Walker
Deputy Attorney-General O. C. Bass, K.C.
Deputy Minister of Lands H. Cathcart
Deputy Minister of Finance E. D. Johnson
Deputy Minister of Agriculture J. B. Munro, B.S.A.
Deputy Minister of Mines Robert Dunn
Deputy Minister and Chief Engineer of Public Works P. Philip
Deputy Minister and Chief Engineer of Railways G. P. Napier
Deputy Minister of Labour Adam Bell
Deputy Minister of Industries V. A. Rollins
Deputy Minister and Superintendent of Education S. J. Willis, LL.D.
Acting Assistant to the Commissioner of Fisheries C. P. Hickman
Comptroller-General J. A. Craig

NOTE.—After the termination of *The Review's* record at June 30, 1933, the announcement was made by the Prime Minister of the date (Nov. 2) of the General Election. The result was a sweeping majority for the Liberal Party. Seven adherents of the new C.C.F. Party, three Non-Partisan, one Unionist and one Independent received majorities. The following lists give the new Liberal Cabinet and also the Members of the Legislative Assembly with Party affiliations, votes polled and majorities.

The Pattullo Ministry (Liberal)

Prime Minister, President of the Executive Council,
and Minister of Railways Hon. T. D. Pattullo
Provincial Secretary and Minister of Education Hon. G. M. Weir, M.A., D.PÆD.
Attorney-General Hon. G. M. Sloan, K.C.
Minister of Finance and Industries Hon. John Hart
Minister of Lands Hon. A. W. Gray
Minister of Mines and Labour Hon. G. S. Pearson
Minister of Agriculture Hon. K. C. MacDonald, D.D.S.
Minister of Public Works Hon. F. M. MacPherson
Commissioner of Fisheries Hon. G. S. Pearson

Legislative Assembly

Districts	Affiliation	Members	Votes Polled	Majorities
Alberni-Nanaimo	Lib.	Pearson, G. S.....	3,146	793
Atlin	Lib.	Asselstine, W. J.....	415	113
Burnaby	C.C.F.	Winch, E. E.....	4,548	528
Cariboo	Lib.	MacKay, D. M.....	1,089	578
Chilliwack	Lib.	Barrow, E. D.....	2,273	618
Columbia-Revelstoke ...	Lib.	Sutherland, W. H.....	1,947	1,200
Comox	Lib.	Hanna, L. A.....	2,204	614
Cowichan-Newcastle	Ind.	Savage, H. G. E.....	1,655	367
Cranbrook	Lib.	MacPherson, F. M.....	2,951	1,720
Delta	C.C.F.	Swailles, R. B.....	2,631	538
Dewdney	Lib.	Strachan, D. W.....	1,235	166
Esquimalt	Union.	Pooley, R. H.....	1,466	59
Fernie	Lab.	Uphill, T.	1,693	394
Fort George	Lib.	Perry, H. G. T.....	1,677	1,052
Grand Forks-Greenwood.	Lib.	McPherson, D.	1,034	523
Islands	Lib.	McDonald, A.	726	57
Kamloops	Lib.	Carson, R. H.....	1,836	476
Kaslo-Slocan	Lib.	Leary, C. S.	1,250	299
Lillooet	Lib.	Murray, G. M.	927	222
Mackenzie	C.C.F.	Bakewell, E.	2,071	685
Nelson-Creston	Lib.	Putnam, F.	2,489	1,187
New Westminster	Lib.	Gray, A. W.....	2,694	1,218
North Okanagan	Lib.	MacDonald, K. C.....	2,322	676
North Vancouver	C.C.F.	Anderson, H. C. E.....	2,427	643
Omineca	Lib.	Manson, A. M.....	1,035	510
Peace River	Non-Part.	Planta, C. M. F.....	957	157
Prince Rupert	Lib.	Pattullo, T. D.....	1,725	1,060
Rossland-Trail	Lib.	Burns, R. R.....	1,705	423
Saanich	Lib.	Whittaker, N. W.....	2,171	348
Salmon Arm	Non-Part.	Bruhn, R. W.....	1,351	463
Similkameen	Lib.	Tupper, C. H. P.....	1,765	379
Skeena	Lib.	Kenney, E. T.....	902	451
South Okanagan	Lib.	Harris, J. A.....	1,636	191
Vancouver-Burrard	Lib.	McGeer, G. G.....	10,002	885
Vancouver-Burrard	Lib.	Smith, H. D. (Mrs.).....	9,117	2,571
Vancouver-Centre	Lib.	Sloan, G. M.....	6,925	202
Vancouver-Centre	Lib.	Wismer, G. S.....	6,723	1,371
Vancouver-East	C.C.F.	Price, J.	10,972	3,624
Vancouver-East	C.C.F.	Winch, H. E.....	11,019	47
Vancouver-Point Grey...	Lib.	McKeen, S. S.....	9,880	487
Vancouver-Point Grey...	Lib.	Weir, G. M.....	12,163	2,283
Vancouver-Point Grey...	Lib.	Wilkinson, R.	9,393	1,700
Victoria City	Lib.	Hart, J.	6,133	366
Victoria City	Lib.	Johnson, B. I.....	7,774	1,641
Victoria City	C.C.F.	Connell, R.	5,607	56
Victoria City	Ind.	Anscomb, H.	5,767	160
Yale	Lib.	Gillis, J. J.....	1,193	881

STATISTICAL SURVEY, CANADA, 1932-33

By

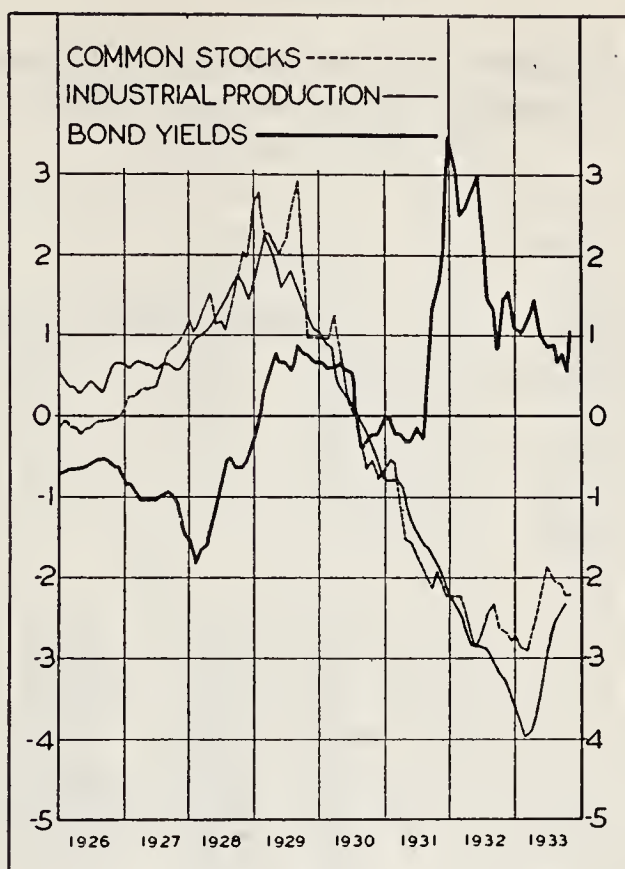
R. H. Coats, F.R.S.C., F.S.S., (Hon.)

This survey covers the year 1932 and the first ten months of 1933. In the earlier part it indicates a deepening of the world economic depression to a point probably unprecedented in previous annals; this, however, was followed after the Spring of 1933 by an upturn of so pervasive a character as to constitute a most encouraging feature. Table I. herewith shows the main statistics for the year 1932 in comparison with the two preceding years, illustrating the broader aspects of the depression just referred to, while Table II. sets forth the more important monthly records from the beginning of 1932, and thus permits a study in detail of the later upswing.

Measured by wholesale commodity prices, perhaps the most representative of barometers, the decline came to a halt towards the end of the Winter of 1932-33; the subsequent rise in the official index number was by Midsummer of 1933 from 63.6 to 70.5; a check at this point led to a recession to 67.9 in October, but this had risen to 68.7 in November. The stock market was very active in Midsummer and, though recessions occurred in the Autumn, the year 1933 closed on considerably higher levels than 1932 (a November, 1933, index of 73.7 comparing with one of 53.4 in 1932). The "business" index of the Dominion Bureau of Statistics moved up by 32 per cent. between February and October. Unfavourable features of 1933 were the general crop failure and the exceptionally low level of construction activities. In other fields of productive activity, including mining and manufacturing, as well as in external trade, electric power generation, bank debits, etc., the later figures provide favourable comparisons with the same period of the previous year.

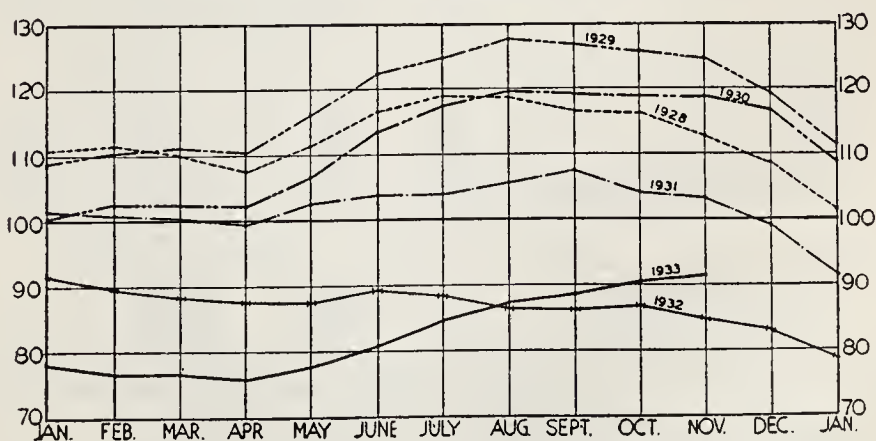
A further purview of the period is afforded by the first of the diagrams opposite, which illustrates since 1928, (1), the volume of industrial production and consequent state of trade and employment; (2), the prices of common stocks (indicative of speculative activity); and (3), the long-term interest rate (indicative of credit conditions). The narrowing of the gap between interest rates and security prices in the later months of 1933 was generally held to presage a rise in the volume of production and business. The second diagram shows the comparative volume of employment over the previous six years; as unemployment constituted the most serious aspect of the depression, the higher level of employment shown for the six months, May-November, 1933, was a particularly favourable feature.

Fundamental Economic Conditions in Canada, 1926-1933



NOTE.—The above chart illustrates the trend of (1) speculation (prices of common stocks), (2) industrial production, and (3) the credit situation as reflected in long-term interest rates. The lines are expressed in multiples of a standard deviation from a common average, so that the degree of variation from month to month is strictly comparable.

Employment in Canada, 1928-1933



NOTE.—The curve is based upon the number of employees at work on the first day of the month as indicated by the firms reporting, in comparison with the average employment they afforded during the calendar year 1926 as 100.

TABLE I.

**Statistical Summary of Economic and Social Conditions
in Canada in 1932, Compared with the
Two Preceding Years**

ITEMS	1930	1931	1932
I. POPULATION:	(000 omitted)	(000 omitted)	(000 omitted)
Immigration No.	105	28	21
Emigration to U.S. ¹ No.	41	9	7
Births ² No.	243	240	236
Deaths ² No.	109	105	104
Total Population— (Estimated) No.	10,195	10,363 ³	10,492
II. PRODUCTION:			
1. AGRICULTURE: ⁴			
Wheat Bu.	420,672	321,325	428,514
..... \$	204,693	123,550	129,105
Oats Bu.	423,148	328,278	391,561
..... \$	102,919	77,970	71,538
Barley Bu.	135,160	67,382	80,773
..... \$	27,254	17,465	15,794
Total Field Crops Ac.	62,215	58,075	59,634
..... \$	662,041	432,199	416,587
Live Stock: on Farms \$	687,225	465,271	375,722
Marketed \$	166,630	96,778	69,033
Butter (creamery) Lb.	185,751	225,955	213,738
..... \$	56,671	50,198	40,413
Cheese (factory) Lb.	119,105	113,956	120,312
..... \$	18,090	12,824	11,360
Total Dairy Production \$	272,458	237,922 ⁵	.....
Total Agricultural Revenue... \$	1,268,141	814,930	711,898
2. FURS \$	12,158	11,803	10,189
3. FISHERIES:			
Salmon \$	17,732	7,972	8,038
Cod \$	4,289	2,827	2,194
Lobster \$	5,215	5,037	4,745
Total Fisheries Products \$	47,804	30,517	25,957
4. FORESTRY:			
Forestry Operations \$	206,853	141,124	.....
Net Sawmill Products \$	48,186	25,549	.....
Net Pulpmill Products \$	48,105	34,136	.....

¹ Statistics of U.S. Bureau of Immigration.² Registration area all Canada exclusive of Yukon and N.W. Territories.³ Census, June 1, 1931.⁴ 1933 figures available as follows. Wheat, bu., 271,821,000; oats, bu., 311,312,000; barley, bu., 63,737,000; total acreage, field crops, 56,580,550.⁵ Preliminary.

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
11. PRODUCTION— <i>Continued</i>	(000 omitted)	(000 omitted)	(000 omitted)
5. MINERALS:			
METALS:			
Gold Oz.	2,102	2,694	3,044
..... \$	43,453	55,688	62,933
Silver Oz.	26,443	20,562	18,348
..... \$	10,089	6,142	5,811
Lead Lb.	332,894	267,342	255,947
..... \$	13,103	7,260	5,410
Zinc Lb.	267,644	237,245	172,284
..... \$	9,635	6,059	4,144
Nickel Lb.	103,769	65,666	30,328
..... \$	24,455	15,267	7,180
Copper Lb.	303,478	292,304	247,679
..... \$	37,948	24,114	15,294
NON-METALS:			
Coal Ton	14,881	12,243	11,739
..... \$	52,850	41,207	37,118
Natural Gas... M. cu. ft.....	29,376	25,875	23,420
Asbestos Ton	242	164	123
..... \$	8,390	4,813	3,040
Structural Materials and Clay Products..... \$	53,727	44,148	22,398
Total Mineral Production..... \$	279,874	228,029	182,682
6. MANUFACTURES:			
Vegetable Products \$	672,024	535,079	416,193 ¹
Animal Products \$	417,541	320,803	256,640 ¹
Textile Products \$	361,815	317,159	273,000 ¹
Wood and Paper..... \$	636,600	484,238	382,500 ¹
Iron and Its Products..... \$	569,746	374,725	249,700 ¹
Non-Ferrous Metals and Products \$	250,459	211,862	152,111
Non-Metallic Mineral Products \$	216,813	181,432	147,766
Chemical and Allied Products \$	119,970	105,502	95,540 ¹
Miscellaneous Industries \$	57,966	45,350	32,500 ¹
Total Manufactures \$	3,428,971	2,698,462	.....
Total Employees			
Monthly Average No.	644	557	.....
Total Salaries and Wages..... \$	736,093	624,546	.....
Significant Items:			
Cen. Elec. Stations..... K.W.H.	18,093,802	16,391,510 ¹	.....
Pig Iron (production) Long Ton	747	420	144

¹ Preliminary.

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
	(000 omitted)	(000 omitted)	(000 omitted)
II. PRODUCTION—Continued			
6. MANUFACTURES—Continued			
Steel Ingots and Castings (production) Long Ton	1,010	673	343
Flour (production) Bbl.	15,624	14,888	14,465
Newsprint (production) Ton	2,498	2,227	1,919
Sugar (raw, imports) Lb.	8,127	7,984	6,746
Rubber (crude, imports) Lb.	64,492	56,583	46,854
Cotton (raw, imports) Lb.	100,314	94,922	97,355
Petroleum (crude, imports) Gal.	1,012,030	1,017,388	889,839
7. CONSTRUCTION:			
Building Permits (61 Cities) \$	166,379	112,223	42,319
Contracts Awarded \$	457,000	315,482	132,872
III. EXTERNAL TRADE:			
1. EXPORTS:			
Total (domestic and foreign) \$	1,144,938	817,028	587,566
(a) <i>Component Material Classification (domestic only):</i>			
Vegetable Products \$	384,636	292,280	204,398
Animal Products \$	133,009	83,715	68,799
Textiles \$	9,066	6,504	5,512
Wood and Paper \$	289,567	230,604	175,740
Iron and Its Products \$	78,590	38,938	15,463
Non-Ferrous Metal Products \$	154,319	95,652	69,073
Non-Metallic Minerals \$	28,545	21,108	13,457
Chemicals \$	22,468	12,826	10,535
All other \$	20,058	18,116	13,367
(b) <i>Purpose Classification:</i>			
Food \$	388,876	293,812	210,028
Clothing \$	12,741	8,537	5,280
Industrial Equipment \$	4,487	3,598	2,274
(c) <i>Degree of Manufacture:</i>			
Raw Materials \$	429,354	305,181	220,442
Partly Manufactured \$	213,262	142,453	92,396
Fully or Chiefly Manufactured \$	477,642	352,109	263,506
2. IMPORTS:			
Total Merchandise \$	1,248,274	906,613	578,504
(a) <i>Component Material Classification:</i>			
Vegetable Products \$	277,049	177,629	128,621
Animal Products \$	69,854	45,996	24,563
Textiles \$	185,241	130,717	83,879
Wood and Paper \$	60,951	46,042	32,008
Iron and Its Products \$	314,367	193,933	98,812

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
III. EXTERNAL TRADE— <i>Cont.</i>	(000 omitted)	(000 omitted)	(000 omitted)
2. IMPORTS— <i>Continued</i>			
Non-Ferrous Metal			
Products	\$ 90,421	60,595	34,301
Non-Metallic Minerals	\$ 186,496	153,579	102,147
Chemicals	\$ 39,908	35,651	30,731
All other	\$ 73,987	62,471	43,440
(b) <i>Purpose Classification:</i>			
Food	\$ 141,716	107,724	74,278
Clothing	\$ 29,766	21,902	13,535
Industrial Equipment	\$ 81,253	52,115	29,333
(c) <i>Degree of Manufacture:</i>			
Raw Materials	\$ 288,276	216,507	145,603
Partly Manufactured	\$ 95,970	68,658	48,393
Fully or Chiefly Manufactured	\$ 864,027	621,447	384,509
IV. INTERNAL TRADE:			
1. TOTAL WHEAT RECEIPTS AT Fort William & Port Arthur (crop years).....	Bu. 135,340	185,474	149,857
2. INSPECTED SLAUGHTERINGS:			
Cattle and Calves.....	Head 978	963	937
Swine	Head 1,926	2,243	2,723
Sheep	Head 745	821	788
3. COLD STORAGE HOLDINGS AS OF JAN. 1ST:			
Butter	Lb. 13,690	22,171	24,385
4. LOADED AT STATIONS IN CANADA:			
Agricultural or Vegetable Products	Ton 15,875	14,995	16,006
Animal Products	Ton 1,156	1,102	967
Mine Products	Ton 22,242	16,099	12,312
Forest Products	Ton 11,148	7,014	5,061
Manufactures	Ton 15,551	12,525	9,468
Total	Ton 65,972	51,735	43,814
V. PRICES:			
1. WHOLESALE PRICES INDEXES: (1913-100)	Index No. (1913-100)	Index No. (1913-100)	Index No. (1913-100)
(a) <i>Component Material Classification:</i>			
Vegetable Products	133.8	98.0	94.4
Animal Products	139.8	104.3	84.2
Textiles	140.5	126.1	119.7
Wood and Paper	138.8	123.8	108.1
Iron and Its Products	132.2	126.8	125.2
Non-Ferrous Metal Products....	82.0	65.6	59.9
Non-Metallic Minerals	160.8	152.3	150.6
Chemicals	146.4	136.5	132.2
General Index	135.3	112.6	104.2
(b) <i>Purpose Classification:</i>			
Food, Beverages and Tobacco...	150.7	114.0	99.6
Clothing	131.5	121.5	117.2
Producers' Equipment	168.6	163.4	161.0

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
V. PRICES—Continued	Index No. (1913=100)	Index No. (1913=100)	Index No. (1913=100)
(c) Classified by Degree of Manufacture:			
Raw Materials	128.8	97.0	86.2
Manufactured Articles	134.7	115.4	107.7
2. RETAIL PRICES AND COST OF LIVING	152.0	137.0	124.5
3. SECURITY PRICES:			
Common Stocks, Index Number (General)	203.5	127.3	70.5
4. FREIGHT RATES:			
Railway, per ton mile Cts.....	1.090	1.013	.937
Atlantic Shipping Rates 1893-1913=100	109.1	90.4	85.8
VI. TRANSPORTATION AND COMMUNICATION:	(000 omitted)	(000 omitted)	(000 omitted)
1. RAILWAYS:			
Gross Revenues	\$ 454,232	358,549	293,390
Gross Operating Expenses.....	\$ 380,723	321,026	256,668
Revenue Freight, 1,000,000 Ton Miles	29,605	25,706	23,137
Passengers Carried	No. 34,699	26,551	21,100
2. ELECTRIC RAILWAYS:			
Gross Revenues	\$ 54,719	49,088	43,339
Operating Expenses	\$ 39,126	35,367	31,517
Passengers Carried	No. 792,038	720,468	642,831
3. MOTOR VEHICLES:			
Registrations	No. 1,232	1,201	1,115
4. CANALS:			
Freight	Ton 14,803	16,189	17,961
5. SHIPPING:			
Reg. Net Tonnage Entered ¹	88,373	92,969	87,132
Reg. Net Tonnage Cleared ¹	88,800	92,618	86,529
6. TELEGRAPHS:			
Land Messages sent.....	No. 15,558	13,200	10,519
Revenue	\$ 14,265	11,642	9,381
7. TELEPHONES	No. 1,403	1,364	1,261
8. POST OFFICE REVENUE.....	\$ 32,969	30,416	32,477 ¹
Money Orders Issued.....	\$ 197,699	167,750	132,625 ¹
VII. LABOUR:			
1. EMPLOYMENT INDEXES:			
(Average Calendar Year, 1926=100)	Index No.	Index No.	Index No.
General Index	113.4	102.5	87.5
Manufacturing	109.0	95.3	84.4
Logging	108.0	60.1	42.6
Mining	117.8	107.7	99.2
Transportation	104.6	95.8	84.7
Construction and Maintenance..	129.8	131.4	86.0
Trade	127.7	123.6	116.1

¹ Year ended March 31.

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
VII. LABOUR—Continued			
2. UNEMPLOYMENT IN TRADE	Index No.	Index No.	Index No.
UNIONS p.c.	11.1	16.8	22.0
3. EMPLOYMENT SERVICE			
STATISTICS:	(000 omitted)	(000 omitted)	(000 omitted)
Applications No.	613	826	652
Vacancies No.	386	486	366
Placements No.	369	472	352
4. WAGES INDEXES: (1913=100)	Index No.	Index No.	Index No.
General Index	194.4	190.8 ¹	179.3
Building Trades	203.2	195.7	178.2
Metal Trades	186.6	182.9	174.7
Printing Trades	203.3	205.1	194.2
Steam Railways	204.3	199.2 ²	183.9
Electric Railways	199.4	192.4 ²	180.7
Coal Mining	169.4	169.4	164.0
Logging and Sawmilling.....	183.9	163.0	141.3
5. STRIKES AND LOCKOUTS:			
Disputes in Existence..... No.	67	88	116
	(000 omitted)	(000 omitted)	(000 omitted)
Employees Affected No.	14	11	23
Time lost in Working Days.. No.	92	204	255
VIII. FINANCE:			
1. DOMINION:			
Ordinary Revenue \$	441,412	349,587	329,709
Ordinary Expenditure \$	357,780	389,558	375,403
Total Disbursements \$	398,176	440,009	450,956
Gross Debts \$	2,544,586	2,610,266	2,831,744
Active Assets \$	366,822	348,654	455,897
Net Debt \$	2,177,764	2,261,612	2,375,846
2. PROVINCIAL:			
Ordinary Revenue \$	188,155	179,143	165,456 ³
Ordinary Expenditure \$	184,804	190,754	183,725 ³
3. CURRENCY: (12 month averages)			
Dominion Notes in			
Circulation \$	174,616	153,079	165,879
Metallic Reserve \$	79,000	74,210	66,854
Bank Notes in Circulation.... \$	159,341	141,969	132,166
4. CHARTERED BANKS:			
Assets \$	3,237,074	3,066,018	2,869,430
Liabilities (excluding			
Capital and Reserve)..... \$	2,909,530	2,741,554	2,546,150
Demand Deposits \$	622,895	578,604	486,271
Notice Deposits \$	1,427,570	1,437,977	1,376,325
Other Current Loans in			
Canada \$	1,285,837	1,123,601	1,032,081
5. FIRE INSURANCE: ⁴			
Amount at Risk, Dec. 31..... \$	11,018,183	10,885,826	10,538,324
Premium Income for Year..... \$	58,504	57,528	52,590

¹ Revised.² Including a ten per cent. decrease for certain classes towards the end of the year.³ Subject to revision.⁴ The statistics of Dominion Fire Insurance Companies alone for the three years follow:—

	1930	1931	1932
Amount at Risk, Dec. 31..... \$000	9,672,917	9,544,641	9,254,378
Premium Income for Year..... \$000	52,647	50,343	46,933

STATISTICAL SUMMARY—Continued

ITEMS	1930	1931	1932
VIII. FINANCE—Continued	(000 omitted)	(000 omitted)	(000 omitted)
6. LIFE INSURANCE: ¹			
Amount at Risk, Dec. 31.....\$	6,868,307	7,008,117	6,825,555
Premium Income for Year.....\$	229,535	234,375	224,596
IX. GENERAL BUSINESS:			
1. BANK CLEARINGS	\$ 20,091,874	16,827,603	12,914,155
2. BANK DEBITS	\$ 37,491,302	31,586,468	25,844,288
3. BANKRUPTCIES (Dun)	No. 2.71	2.52	2.90
Liabilities (Dun)	\$ 56,290	51,914	55,976
4. NET SALES OF LIFE INSURANCE: ²	884,750	782,716	654,425 ¹
5. STOCK EXCHANGE			
TRANSACTIONS:			
Montreal	No. of Shares 11,067	5,309	2,905
Toronto (General)	No. of Shares 6,639	1,210	744

¹ Subject to revision. ² Dominion Companies only.

TABLE II.

Statistics Illustrating the Social and Economic Trend,
Canada, During 1932, and Some Months of 1933

I. POPULATION

Population estimated June 1st, 1932—10,506,000
1933—10,650,000¹

Month	Immigration	Emigration to United States ²	Returned Canadians from the United States	Live Births ³	Deaths ³
1932	No.	No.	No.	No.	No.
Jan.....	1,067	453	957	19,433	8,926
Feb.....	1,039	349	862	19,169	8,716
Mar.....	1,438	309	1,035	21,144	10,363
Apr.....	2,059	516	1,538	19,918	9,799
May.....	2,718	481	2,194	20,493	9,121
June.....	2,562	523	1,944	19,415	7,997
July.....	1,974	632	1,807	20,058	7,645
Aug.....	1,944	824	1,611	20,450	7,675
Sept.....	1,871	906	1,378	19,783	7,925
Oct.....	1,723	654	1,236	19,381	8,368
Nov.....	1,258	498	1,026	17,764	8,153
Dec.....	938	394	2,632	18,658	9,689
Total	20,591	6,539	18,220	235,666	104,377
1933					
Jan.....	700	1,704 ⁴	807	18,470 ³	10,489
Feb.....	909		668	17,330 ³	8,658
Mar.....	1,126		784	19,846 ³	9,101
Apr.....	1,427		1,011	19,677 ³	8,667
May.....	1,474		1,104	19,700 ³	8,639
June.....	1,424		1,203	18,026 ³	8,075
July.....	1,370		1,150	.....	.....
Aug.....	1,247		1,087	.....	.....
Sept.....	1,438		870	.....	.....
Total	11,115		8,684		

¹ Preliminary.² U.S. figures of immigrants from Canada.³ Preliminary for 1933. Exclusive of Yukon and the Northwest Territories.⁴ Figures by months no longer available from the U.S.

2. PRODUCTIVE ACTIVITY

Month	Production of Pig Iron	Production of Steel Ingots and Castings	Production of Coal	Contracts Awarded	Building Permits
1932	Long Tons	Long Tons	000 Short Tons	\$000	\$000
Jan.....	10,305	25,060	1,188	12,738	3,211
Feb.....	10,507	28,469	1,230	14,803	2,845
Mar.....	17,989	43,572	1,051	10,767	3,397
Apr.....	16,898	36,030	740	10,113	4,371
May.....	13,339	29,239	698	14,186	5,489
June.....	8,163	18,118	794	12,155	5,028
July.....	7,317	27,506	652	12,540	4,412
Aug.....	5,992	26,710	727	12,689	3,823
Sept.....	5,709	23,139	934	9,647	2,450
Oct.....	6,731	17,102	1,268	8,876	3,171
Nov.....	14,149	37,088	1,254	10,170	2,553
Dec.....	27,031	27,754	1,203	4,190	1,569
Total	144,130	339,787	11,739	132,872	42,319
1933					
Jan.....	29,209	40,766	1,038	3,362	1,164
Feb.....	6,144	12,374	1,049	3,149	908
Mar.....	.....	11,212	825	3,192	935
Apr.....	.....	11,384	671	8,609	1,552
May.....	.....	23,126	678	6,514	2,003
June.....	857	31,602	698	8,086	3,536
July.....	31,689	49,076	674	12,652	2,148
Aug.....	35,233	48,659	884	9,480	1,938
Sept.....	30,738	38,630	1,134	8,387	2,033
Oct.....	27,002	48,496	1,549	15,014	1,763
Nov.....	29,592	43,099	1,340	10,637	1,610

3. SALIENT STATISTICS OF SIX IMPORTANT INDUSTRIES

Month	Flour Production	Sugar Manufactured ¹	Raw Rubber Imports	Raw Cotton Imports	Newsprint Production	Crude Petroleum Imports
1932	000 Bbl.	000 Lb.	000 Lb.	000 Lb.	Short Ton	000 Gal.
Jan.....	851	27,891	3,911	6,528	171,321	72,729
Feb.....	842	25,681	3,859	7,074	158,543	48,583
Mar.....	1,054	51,876	5,797	10,212	166,758	67,635
Apr.....	993	35,879	3,585	6,230	176,660	38,565
May.....	1,041	58,751	3,171	12,463	175,887	109,518
June.....	1,151	73,722	6,349	4,486	161,368	113,948
July.....	1,202	92,583	3,425	3,590	142,491	104,209
Aug.....	1,272	101,700	2,173	5,995	157,919	89,777
Sept.....	1,385	81,917	6,204	4,553	150,691	76,913
Oct.....	1,722	106,613	2,704	7,029	157,506	83,449
Nov.....	1,943	115,874	3,568	15,376	161,334	51,706
Dec.....	1,010	122,457	2,109	13,819	138,682	32,808
Total	14,465	956,289	46,854	97,355	1,919,160	889,839
1933						
Jan.....	859	27,303	2,663	8,765	140,539	35,085
Feb.....	845	20,347	2,632	6,026	125,610	37,556
Mar.....	1,401	55,432	2,496	6,374	137,078	49,336
Apr.....	1,013	46,455	1,245	4,050	147,759	36,187
May.....	1,334	41,167	3,817	8,111	171,776	83,981
June.....	1,186	89,254	3,228	7,440	171,419	121,121
July.....	1,323	57,332	2,670	9,790	180,387	118,271
Aug.....	1,444	88,089	4,022	10,584	194,262	116,312
Sept.....	1,393	60,378	5,869	7,409	179,416	108,097
Oct.....	1,651	87,617	5,780	12,287	191,452	91,714
Nov.....	1,827	112,533	4,892	19,058	193,718	91,761

¹ Sugar statistics are given in thirteen periods of four weeks each, the quantity manufactured during the period ended December 31, 1932, being 61,345,000 pounds.

4. TRADE STATISTICS

Month	Imports	Exports (Domestic)	Cold Storage Stocks		Wheat Receipts Ft. William & Pt. Arthur
			Eggs	Butter	
1932	\$000	\$000	000 Dozen	000 Lb.	000 Bu.
Jan.....	34,115	38,367	2,908	24,385	1,999
Feb.....	35,586	36,431	1,536	18,815	1,922
Mar.....	57,448	39,749	282	10,377	3,715
Apr.....	29,794	26,928	246	4,539	5,925
May.....	44,361	40,476	3,416	2,848	6,530
June.....	40,743	40,852	8,920	4,439	24,297
July.....	35,711	42,318	10,927	16,794	15,969
Aug.....	36,527	41,314	11,211	25,051	14,958
Sept.....	34,504	42,187	11,896	30,221	51,458
Oct.....	37,095	56,626	11,056	32,577	27,980
Nov.....	37,769	45,945	8,229	31,316	16,963
Dec.....	28,961	42,616	4,123	26,470	5,705
Total	452,614	493,809	74,750	227,832	177,421
1933					
Jan.....	24,441	31,562	1,254	20,545	1,412
Feb.....	23,514	26,398	433	15,684	1,781
Mar.....	32,963	36,579	88	9,624 ¹	7,742
Apr.....	20,457	20,012	279	3,546 ¹	9,089
May.....	32,927	45,576	4,041	1,950 ¹	10,650
June.....	33,619	45,968	11,507	5,307 ¹	29,979
July.....	35,738	51,345	13,823	20,143 ¹	15,543
Aug.....	38,750	44,723	14,219	34,315 ¹	15,501
Sept.....	38,698	57,785	14,596	42,018 ¹	23,902
Oct.....	41,070	60,214	13,201	40,513 ¹	25,843
Nov.....	43,712	60,385	9,124	37,796 ¹	12,656

¹ Includes Creameries with mechanical refrigeration added to list Mar. 1.

5. TRANSPORTATION

Month	Railways				Canal Traffic ²
	Gross Operating Revenues ¹	Net Operating Revenues ¹	Car Loadings	Freight Carried One Mile (Rev- enue Freight)	
1932	\$000	\$000	000 cars	000,000	000 tons
Jan.....	22,120	340	165.8	1,605	.....
Feb.....	22,294	98	174.2	1,659	.....
Mar.....	25,025	2,474	186.0	1,814	.....
Apr.....	23,851	2,798	180.2	1,653	913
May.....	23,400	2,155	182.7	1,632	2,236
June.....	24,813	3,160	185.2	2,023	2,346
July.....	22,970	1,917	157.4	1,569	2,274
Aug.....	23,100	1,178	175.6	1,572	2,439
Sept.....	28,988	6,734	215.7	3,043	2,687
Oct.....	28,190	7,352	211.5	2,607	2,578
Nov.....	24,276	4,969	192.6	2,181	2,232
Dec.....	21,902	2,469	152.6	1,740	251
Total	290,932	35,645	2,179.5	23,110	17,956
1933					
Jan.....	17,643	Dr. 885	134.4	1,388	.....
Feb.....	16,788	" 1,093	133.2	1,302	.....
Mar.....	20,612	1,451	157.4	1,712	.....
Apr.....	19,530	1,458	138.5	1,413	1,063
May.....	21,447	2,148	161.4	1,530	2,337
June.....	24,310	3,965	176.0	2,133	2,664
July.....	23,713	3,004	162.7	1,735	2,336
Aug.....	23,730	2,586	185.6	1,752	2,544
Sept.....	25,872	6,043	202.5	2,103	2,897
Oct.....	27,239	7,557	221.6	2,442	2,680

¹ Of Railways with annual revenues of \$500,000 or over.

² Through Canadian locks only.

6. PRICES

Month	General Wholesale Prices	Producers' Goods	Consumers' Goods	Materials Raw	Manufactured Goods	Family Budget (Weekly)
1932	1913=100	1913=100	1913=100	1913=100	1913=100	\$
Jan.....	108.6	98.6	118.1	93.1	110.0	17.59
Feb.....	107.6	98.5	117.1	92.0	109.1	17.25
Mar.....	107.8	97.9	117.1	90.9	110.3	17.16
Apr.....	106.5	97.0	115.1	89.0	109.4	17.09
May.....	105.3	95.5	114.5	86.8	108.5	16.45
June.....	103.7	93.6	113.9	84.3	107.1	16.20
July.....	103.9	93.1	114.7	85.6	107.2	16.21
Aug.....	104.2	93.6	114.8	85.7	108.3	16.42
Sept.....	102.9	91.2	115.6	84.9	106.9	16.34
Oct.....	101.5	89.3	114.3	82.3	106.2	16.40
Nov.....	101.1	88.5	113.5	81.8	105.4	16.10
Dec.....	100.0	86.9	113.1	79.9	104.6	16.01
1933 ¹						
Jan.....	99.8	87.2	112.7	80.2	104.2	15.89
Feb.....	99.3	87.3	111.4	79.6	103.2	15.61
Mar.....	100.6	89.3	112.2	81.6	104.8	15.59
Apr.....	102.1	90.0	113.9	83.5	107.5	15.74
May.....	104.5	94.8	114.8	88.1	108.9	15.57
June.....	105.6	97.1	114.0	90.7	108.3	15.41
July.....	110.1	103.5	116.8	98.7	111.7	15.48
Aug.....	108.4	100.0	116.8	95.1	110.8	15.96
Sept.....	107.6	98.3	116.8	93.9	110.5	15.78
Oct.....	106.1	95.4	116.8	90.4	109.9	15.78
Nov.....	107.3	96.5	117.6	92.3	110.5	15.72

¹ 1933 figures subject to revision.

7. LABOUR

Month	Index of Employment	Unemploy- ment in Trade Unions	Employment Office Statistics		Strikes and Lockouts ¹	
			Vacancies	Regular Placements	Disputes in Existence	Time Loss in Working Days
1932						
Jan.....	91.6	22.0	31,538	12,072	12	8,280
Feb.....	89.7	20.6	33,426	9,849	18	10,452
Mar.....	88.7	20.4	35,275	10,719	9	15,969
Apr.....	87.5	23.0	34,961	12,066	9	28,517
May.....	87.5	22.1	32,209	12,510	13	30,565
June.....	89.1	21.9	29,404	12,777	16	40,186
July.....	88.7	21.8	25,917	11,484	29	40,186
Aug.....	86.3	21.4	28,397	15,319	17	51,815
Sept.....	86.0	20.4	32,111	18,573	15	7,992
Oct.....	86.7	22.0	23,222	9,930	16	9,554
Nov.....	84.7	22.8	28,683	14,182	12	2,338
Dec.....	83.2	25.5	30,885	14,290	12	9,146
1933						
Jan.....	78.5	25.5	28,602	12,456	8	5,936
Feb.....	77.0	24.3	23,714	8,771	5	58,500
Mar.....	76.9	25.1	22,613	10,233	10	12,945
Apr.....	76.0	24.5	24,652	12,946	5	4,435
May.....	77.6	23.8	32,693	13,770	16	11,927
June.....	80.7	21.8	31,706	16,146	14	34,834
July.....	84.5	21.2	28,630	15,189	8	13,775
Aug.....	87.1	19.9	32,323	18,434	17	18,762
Sept.....	88.5	19.8	29,935	15,746	23	39,194
Oct.....	90.4	19.8	33,659	15,700	14	19,203
Nov.....	91.3	20.4	41,475	16,842	20	49,543

¹ 1932 and 1933 figures preliminary.

8. GENERAL BUSINESS

Month	Bankruptcies	Defaulted Liabilities	Sales of Life Insurance	Bank Clearings	Bank Debits
1932	No.	\$000	\$000	\$000,000	\$000,000
Jan.....	238	4,061	37,082	1,056	2,071
Feb.....	221	3,651	37,857	1,015	1,990
Mar.....	208	3,399	37,206	1,035	2,024
Apr.....	190	3,171	33,425	1,073	2,074
May.....	204	3,148	30,779	1,037	2,175
June.....	179	3,794	40,744	1,081	2,203
July.....	175	2,987	34,226	1,105	2,176
Aug.....	188	2,825	28,124	1,058	2,116
Sept.....	193	3,926	25,023	1,086	2,098
Oct.....	199	3,439	29,657	1,176	2,367
Nov.....	229	4,343	33,739	1,130	2,466
Dec.....	196	7,836	33,249	1,063	2,085
Total	2,420	51,629	401,111	12,916	25,844
1933					
Jan.....	216	4,050	29,171	978	1,969
Feb.....	214	3,947	26,089	882	1,830
Mar.....	192	3,381	29,601	946	1,887
Apr.....	184	3,022	29,624	950	1,877
May.....	175	2,617	30,215	1,293	2,650
June.....	158	2,339	32,154	1,430	2,982
July.....	142	2,289	29,998	1,792	3,528
Aug.....	150	2,358	27,082	1,365	2,649
Sept.....	155	2,345	25,142	1,232	2,457
Oct.....	144	2,322	31,253	1,331	2,823

9. CURRENCY AND BANKING

Month	Notes in Hands of Public ¹	Gold held by Finance Dept. against Notes in circulation	Demand Deposits	Notice Deposits	Current Loans	New York Funds in Montreal
1932	\$000,000	\$000,000	\$000,000	\$000,000	\$000,000	\$
Jan.....	151.0	66.8	506.9	1,368	1,071	1.173
Feb.....	150.3	64.6	496.5	1,390	1,063	1.145
Mar.....	149.0	63.8	500.5	1,389	1,071	1.118
Apr.....	154.1	63.9	494.6	1,393	1,070	1.112
May.....	147.2	64.3	498.0	1,387	1,057	1.131
June.....	154.9	64.8	488.9	1,373	1,037	1.153
July.....	152.1	65.4	462.1	1,363	1,028	1.148
Aug.....	145.5	66.2	475.4	1,367	1,004	1.142
Sept.....	152.5	67.5	480.7	1,359	1,003	1.108
Oct.....	148.4	71.2	493.3	1,371	1,018	1.096
Nov.....	139.5	73.0	472.2	1,379	999	1.148
Dec.....	144.1	70.8	466.2	1,378	964	1.154
Average	149.0	66.9	486.3	1,376	1,032	1.136
1933						
Jan.....	134.0	70.9	446.0	1,383	946	1.143
Feb.....	138.9	70.3	445.9	1,397	924	1.197
Mar.....	151.7	69.6	453.6	1,389	925	1.199
Apr.....	153.2	69.6	484.2	1,400	913	1.179
May.....	149.0	69.6	498.9	1,397	897	1.141
June.....	158.9	69.3	535.0	1,387	900	1.112
July.....	149.5	69.6	501.3	1,380	889	1.058
Aug.....	149.7	69.6	483.8	1,373	885	1.061
Sept.....	160.1	69.6	491.8	1,372	905	1.036
Oct.....	151.4	70.0	520.9	1,350	912	1.024
Nov.....	149.3	69.8	499.1	1,358	884	0.990

¹ Dominion and Bank Notes.

10. INVESTMENT AND SPECULATION

Month	Index of Industrial Stocks ¹	Index of Bond Yields	Shares Sold on Montreal Exchange	Call Loans in Canada	Bank Holdings of Bonds and Stocks	Interest Rates N.Y. Call Loans	Interest Rates N.Y. Prime Com. Paper 4-6 months
1932	1926=100)	1926=100)	No.	\$000,000	\$000,000	P.C.	P.C.
Jan.....	73.7	119.8	125,989	131.2	673.7	2.65	3.88
Feb.....	71.1	115.9	136,387	129.8	663.8	2.50	3.88
Mar.....	71.5	110.6	180,070	130.7	671.6	2.50	3.75
Apr.....	58.2	111.3	187,313	122.4	666.2	2.50	3.50
May.....	51.4	113.2	204,522	113.8	663.4	2.50	3.13
June.....	48.8	114.4	176,041	109.9	669.3	2.50	2.75
July.....	56.6	110.6	283,953	111.9	674.1	2.08	2.50
Aug.....	69.9	103.3	544,528	114.1	703.1	2.08	2.68
Sept.....	73.8	101.9	506,926	115.0	699.2	2.00	2.13
Oct.....	63.1	98.1	206,902	117.2	726.9	1.35	2.00
Nov.....	62.5	102.3	193,093	107.6	759.5	1.04	1.74
Dec.....	58.4	102.7	149,733	103.2	773.3	1.00	1.50
Average	63.3	108.7	2,895,457 ²	117.2	695.8	2.06	2.79
1933							
Jan.....	59.6	99.2	201,133	100.0	784.2	1.00	1.38
Feb.....	56.3	98.7	281,197	97.2	797.5	1.00	1.38
Mar.....	57.3	100.0	207,529	96.1	792.8	3.32	3.00
Apr.....	67.5	101.3	486,726	94.1	805.9	1.37	2.63
May.....	85.8	98.1	1,083,485	93.8	836.2	1.00	2.13
June.....	103.6	97.1	1,570,805	101.5	860.2	1.00	1.75
July.....	118.3	96.7	1,852,002	108.7	865.9	1.00	1.50
Aug.....	113.3	95.0	414,966	105.0	866.1	.98	1.50
Sept.....	115.1	95.8	433,747	110.0	881.0	.75	1.38
Oct.....	100.1	94.6	399,022	110.8	881.7	.75	1.25
Nov.....	109.6	97.3	370,525	105.3	861.4	.75	1.25

¹ In 1932, 96 industrial stocks and in 1933, 93 industrial stocks.² Total for year.

FINANCE AND INSURANCE

By

Harvey H. Black, M.A.

The General Financial Situation in Canada during 1932-33

The financial history of Canada from the middle of 1932 and on into the succeeding six months of 1933 (the period covered by this review) might briefly be described as a "middle course"—between the policies of Great Britain and those of the United States; between the pound sterling and the United States dollar. This whole period—as indeed, was that covering the momentous plunge of Great Britain from the gold standard in September, 1931, to the end of June, 1932—was one of disturbed international exchange, with the Canadian dollar holding to a course mid-way between the other two currencies, until the margin of over 35 per cent. between sterling and New York funds began to narrow steadily, and the Canadian dollar's fluctuations toward the middle of 1933 became coetaneously contracted within these approaching extremes. The improvement in sterling, which moved up finally past the old par of \$4.86 $\frac{2}{3}$, partly as a result of better business conditions in Great Britain and partly as a result of a relative weakening in a number of other international currencies, aided Canadian trade in commodities with Great Britain and, later in the year (1933), it stimulated London buying of Canadian securities.

During this period, pressure, both of a business and a political character, was brought to bear on the Dominion Government to "link the Canadian dollar with the British pound," the better to stabilize commercial transactions and, particularly, to drive up the domestic price of wheat. Even greater influence was exerted toward a general policy of inflation in Canada—closely related to depreciation of currency—with the suggestion that new issues up to hundreds of millions of dollars should be brought out, without regard to the maintenance of the existing ratio of gold coverage (between 30 and 40 per cent.). The chief argument used in favour of this action was that such a policy would automatically advance commodity prices, especially the almost record-low prices of agricultural products which were paralyzing the buying power of the agricultural community. This persuasion was steadfastly resisted. There was, however, a loan transaction between the Dominion Government and the banks (September, 1932) which involved the issue of new currency to an amount of \$35,000,000 and its distribution to the banks to facilitate the expansion of credit; a step which was to prove effective only to a slight degree. In this latter connection, the Prime Minister of Canada read a statement in the House of Commons on Nov. 8, explaining that the \$35,000,000 loan was in two-year Notes of the

Dominion of Canada, bearing interest at the rate of 4 per cent., and that the banks would use the Notes as security in obtaining an advance of an equivalent amount under the Finance Act, thereby swelling their cash reserves and substantially increasing their loaning capacity. "After having proved our ability to ride out the storm," he said, "I feel that we are justified—to the very limited degree necessary in our case—in joining other countries in the adoption of monetary measures designed to encourage recovery." At the same time he declared that "this country will not depart from the established principles of sound money."

The second half of 1932 saw the low level of the depression in many directions (except in instances where the decline stretched out further into the early months of 1933); this situation applied to industry generally. Prices of Canadian wheat and other farm products by December, 1932, touched the lowest levels on record. Prices of such other commodities as newsprint, lumber, the base metals, silver, steel and iron, etc., also dipped to record low levels. Car loadings fell sharply as the year 1932 closed. Construction touched a new low ratio of operations, governments having abandoned public works owing to lack of funds. The railways suffered the fourth successive year of slumping business, causing the Canadian Pacific to pass not only its common but its preferred dividend. In almost every direction earnings of industrial corporations were sharply reduced, with many dividend payments discontinued or at least curtailed. An increasing number of companies were forced to suspend bond interest, with capital reorganizations becoming a familiar outcome of default.

In the midst of an almost all-pervasive financial and industrial gloom, two distinct movements in a positive direction were becoming manifest. One of these was a recovery in the price of high grade bonds—Government and Municipal. The stimulus for this was, undoubtedly, the courageous step of Great Britain in offering a large conversion loan at $3\frac{1}{2}$ per cent.—an unprecedentedly low basis at that time. Canadian bonds began to rise and continued to do so, with few interruptions, for more than twelve months. Interest rates, conversely, declined—from an Index of 110 in July, 1932, to 96.7 in July, 1933, (based on averages for Ontario bonds with 100 as the 1926 average). The other positive phase was an advancing stock market. The "low" of the depression in Canadian stock market levels (38.6) had been reached at the end of May, 1932, after which the Index rose to 63.0 in September, reacting to 51.3 in December, 1932. The New York stock market continued its decline in June and July of 1932, recovering from 35.9 to 53.3 in August, and to 58.2 in September (Standard Statistics); thereafter, like the Canadian markets, it dipped to a low average of 47.4 in December. The decline continued both in Canada and the United States throughout the early months of 1933 (as did industrial activity), but the 1932 lows were not duplicated: the Canadian Index moved sharply up from 47.3 in March, 1933, to 83.3 in July. That month, both in Canada

and the United States, proved the peak in stock market levels for 1933. New York stocks (taking 421 in number) had eased to 43.2 in March but, like Canadian stocks, moved up strongly from 62.9 in May to 74.9 in June and to 80.4 in July.

Immediately upon the first indication of the banking crisis in the United States, which had begun with the forced closing of the Michigan banks during the month of February, 1933, some selling and lower prices developed on the Canadian stock exchanges, notably on the Standard of Toronto, where many millions of shares of mining stocks had been bought in the United States in earlier months. Breaks also occurred in the leading commodities such as wheat, cotton, rubber, zinc, silk, etc. Canadian border banks began to receive large sums from United States depositors. At this time the Canadian dollar was quoted around 84 cents in New York. The crisis of Mar. 4 (the day of the inauguration of Mr. Franklin D. Roosevelt as President of the United States) when all United States banks and the New York and other exchanges closed their doors, found Canadian stock exchanges still functioning, and Canadian banks as solid as ever. The absence of exchange facilities in New York forced Canadian banks to accept United States collections on a basis of par, subject to adjustment when the United States banking "moratorium" should be lifted. On this critical day (Mar. 4) a reassuring message was sent out by the Canadian Minister of Finance, Hon. E. N. Rhodes, who declared: "The Canadian banks are in a very strong and exceptionally liquid position, and wholly capable of meeting any demands made upon them. The situation in the United States," Mr. Rhodes continued, "arose out of domestic conditions, and," he added, "any reaction upon our position should result to our advantage." The re-opening, a few days later, of the stock exchanges and the greater number of the banks, restored confidence to a large extent throughout the United States, and brought more stability to the Canadian markets as well. The decision of the United States, shortly afterward, to go off the gold standard appeared to have been well discounted, and little of the repercussion occasioned by similar action by Great Britain in 1931 was felt in Canada. The pound sterling continued its steady rise to par in terms of United States and Canadian funds, and the gap between the United States dollar and the Canadian dollar began to close up.

It was in May, 1933, that the hope of a real recovery began to stir strongly in Canada. One of the first signs came from the cotton textile industry—reflecting rising prices for raw and processed goods in the United States. Newsprint sales in June of Canadian mills showed the first monthly gain over the previous year since 1929. The steel and lumbering industries were also picking up. Shortly before, however, the stock markets had begun to celebrate the recovery from the banking "holiday" in the United States and the inauguration of certain policies by the new President. Special impetus to a rise in stocks was given by a general advance in commodity prices, which later proved to have been mainly due to speculative

causes. The advance in stock markets was criticized as being an entirely unjustified movement. *The Ottawa Journal* on Apr. 22, 1933, in a rather cynical editorial, rallied the Canadian public, quoting from some daily newspaper headlines: "Hectic Trading Recalls Palmy Days of 1929"; "Terrific Wall Street Market"; "Hundreds Crowd Brokerage Offices in Buying Frenzy"—and so on. It concluded thus: "The return (to prosperity) will necessarily be slow, and it won't be accelerated in the least—but may well be retarded—by a repetition of the folly which brought ruin in 1929." But the market did not stop. The lower the level of the United States dollar, the greater became the expectation of commodity price advances, new business activity and higher industrial profits. So the New York Stock Exchange—with a remarkably quick recovery from the staggering blow of a country-wide shut-down of banks—swept into a "commodity" market which carried the averages to levels more than double the "lows" of the earlier part of the year—a recovery of over 100 per cent. The Canadian market kept pace. Even as early as April records of previous years in trading volume were exceeded, and on Apr. 21 (1933) the Financial Editor of *The Mail and Empire*, Toronto, wrote: "The strongest, wildest and most active market in many years was staged on the Toronto Stock Exchange floor yesterday. Aggregate volume soared to 92,437 shares as buying orders flooded in from all directions. It was the biggest day in Toronto since 'Black Thursday,' Oct. 28, 1929, when the big crash occurred in New York, heralding the 'depression.' But yesterday was 'Bright Thursday'." On May 30 trading surged up to further high levels and early in July (1933), the Toronto Stock Exchange, with over 200,000 shares, broke through even the high record for trading established in 1929.

Canadian Funds in 1932 and 1933. In the latter half of 1932 sterling continued its decline of the first six months of the year (in terms of the Canadian dollar), falling from an average (at Montreal) of \$4.20 in June to \$3.72 in October—the extreme low since Great Britain's departure from the gold standard in September, 1931. There was a slight rise, to \$3.78, in December; and, in the following months of 1933 it showed an advance month by month toward the old par, passing the \$4.00 level in February, averaging just under \$4.50 in May and rising to \$4.61 in June. (After the middle of 1933 the upward movement still continued, finally reaching \$5.02).

In the latter half of the year 1932 New York funds showed a fluctuating tendency, declining from an average premium of nearly 15 per cent. (14.8) in July to 9.6 per cent. in October and then rising to a premium of 15.4 per cent. for December. In February, 1933, New York funds rose sharply to a premium of 19.7 per cent. but after the banking crisis in the United States (March, 1933) there was a decline to 17.9 per cent. in April, to 14.1 in May, and to 11.2 in June. (After a decline in the premium to 5.8 per cent. in July, New York funds sold for a time at a slight discount in terms of the Canadian dollar, but later in the year (1933) recovered to a small premium).

Reduction in Interest Rates. A recognition of the tendency indicated in exceptionally low rates for short-term money in London and New York, in advances in long-term bonds that created lower returns on these securities, and in refunding operations on a steadily lower "coupon" basis, was given in Canada on Apr. 21, 1933, when a reduction was announced

in the interest rate on savings deposits in banks and the Post Office, from 3 to 2½ per cent., with trust companies reducing their rate on deposits from 4 to 3½ per cent. It was made clear, on the other hand, that the banks would reduce rates on loans to municipalities and governments. The Minister of Finance, Hon. E. N. Rhodes, on the same date, declared in a statement: "There is justification for expectation that the action now being taken will tend to bring about results greatly to be desired, namely, a reduction in cost of government and municipal financing, a lower rate to deserving borrowers, and a stimulation of activity in all lines of business." The Canadian Bankers' Association, after suggesting this step as conducive to a reduction of the interest rates which governments would have to pay for refinancing operations, or for new borrowing, declared that this also "should tend, unless unforeseen demands for credit facilities develop, towards a lower level of interest rates on all forms of borrowing for agricultural, industrial and commercial purposes." One immediate result, it was felt, would be to encourage the withdrawal of savings deposits from the banks for investment (at higher interest returns) in high-grade government and municipal bonds. This, in turn, would drive up prices and lower the yield basis on these bonds thereby making it possible for borrowing to be done at a lower interest rate.

Canada's Balance of International Payments, 1933. A preliminary statement covering the year 1933 and issued by the Dominion Bureau of Statistics (Jan. 13, 1934) reported that credit balances (exclusive of capital) for that year amounted to \$298,000,000, of which sum commodities accounted for \$146,000,000, gold for \$92,000,000, and tourist trade for \$60,000,000. Net debits totalled \$249,000,000 (excluding minor invisible items showing a net debit of \$8,000,000); of this \$225,000,000 was for interest, \$15,000,000 for freight, and \$9,000,000 for exchange. The net credit of \$40,000,000 from these items plus a net credit of approximately \$62,000,000, representing capital inflow, made a total of \$102,000,000 for which no debit items appeared. Canadian purchases of their own and foreign securities amounted to \$250,000,000, and governments and corporations in Canada retired \$40,000,000 in bonds owned abroad which had reached maturity.

Municipal Finances. In a Report issued by the Dominion Bureau of Statistics (July, 1933) the grand total of taxable valuations for 1931 was given as \$8,752,118,963 with exemptions of \$1,398,349,761. Both were slightly lower than the respective figures for 1930, namely, \$8,985,770,048 and \$1,460,936,727, and compared with total taxable valuations for 1919 of \$6,351,703,960 and exemptions of \$811,935,964. Ontario led in 1931 with total assessments of \$3,183,152,415, and exemptions of \$536,535,708; in Quebec Province, while assessments were lower at \$2,223,478,680, exemptions were up some \$169,000,000 at \$705,797,801. Taxable real estate in Canada was assessed at a total value of \$8,222,260,000; personal property at \$61,888,000; income at \$134,351,000, and other taxable valuations at \$333,686,000.

A subsequent Report issued by the Bureau showed the total bonded indebtedness of all classes of municipalities for 1931 of \$1,341,199,091 as compared with \$1,282,327,692 in 1930 and with \$735,585,899 in 1919. Ontario's total (1931) of \$499,002,074 was the highest, Quebec's, \$428,018,439, second; and British Columbia's, \$129,913,890, third.

Royal Commission on Banking and Currency.* Under the terms of an Order-in-Council dated July, 31, 1933, a Royal Commission on Banking and Currency was appointed, consisting of the following members: Rt. Hon. Lord MacMillan, P.C., K.C., London, England (Chairman); Sir

*NOTE.—Although the Report of the Royal Commission on Banking and Currency in Canada was made public after the end of the period covered by *The Canadian Annual Review*, it is felt that the importance of the investigation warrants the summary of the findings as given herewith.

Charles Stewart Addis, K.C.M.G., London, England; Rt. Hon. Sir Thomas White, P.C., K.C.M.G., Toronto; Hon. John Edward Brownlee, K.C., Edmonton, Alberta, and Mr. Beaudry Leman, B.Sc., C.E., Montreal. The purpose of the Commission was to examine the provisions of The Bank Act (in view of its proposed revision at the 1934 Session of Parliament), The Dominion Notes Act, The Finance Act and The Currency Act; to consider the advisability of establishing in Canada a Central Banking Institution and the proper authority and function of such an institution in the operation of the banking system of Canada; to study the entire monetary system of Canada, including credit, currency and coinage, particularly in their relation to commodity price movements and fluctuations in international exchange; to recommend, in addition to revising the above Acts, any other financial measures that would facilitate intra-Imperial and international co-operation in "public policies designed to promote the revival of domestic and foreign trade and enterprise and the general increase of employment and to endure a greater measure of stability in respect thereto." Public sessions were held by the Commission at Victoria, Vancouver, Calgary, Edmonton, Saskatoon, Regina, Winnipeg, Halifax, Charlottetown, Saint John, Québec, Montreal, Toronto and Ottawa. The Report of the Commission (issued in September, 1933) recommended (with Sir Thomas White and Mr. Leman dissenting) the establishment of a Central Bank for Canada. The Commission unanimously urged the Dominion Government to conduct an inquiry (preferably with the co-operation of the Provincial Governments) into the existing organizations for the provision of rural credit with a view to the preparation of a scheme for the consideration of Parliament. There was also a series of recommendations in regard to "banking practice", among which were the following: that, unless it were put beyond doubt that it was illegal, according to a special sub-section of The Bank Act, for banks to stipulate for more than 7 per cent. interest or discount, that sub-section should be repealed altogether; that, owing to evidence of abuses in investment banking, it was advisable that the Canadian banks should refrain "from dealing in, or distributing for their own account, any but the highest class securities available in this country, and more particularly those issued by Governments, municipalities and other public and semi-public bodies"; that the banks, with regard to trading in stocks, should not act otherwise than as agents for their customers "to place such orders as they receive through the regularly constituted channels provided by the brokers and investment bankers"; that, "in view of the fact that out of a total of 170 directors of all the chartered banks in Canada only two reside in the Provinces of Alberta and Saskatchewan, we commend to the attention of the shareholders of the Canadian banks that they should, in their own interest, consider the advisability of providing not only a fair but a generous proportion of directors from the Eastern and Western sections of the country, and of further extending their local committees for the purpose of allaying any regional feeling of discrimination"; that, in connection with criticisms that directors of banks were frequently directors of other corporations, it was only natural for the banks to have on their Boards men engaged in large enterprises, who were thus in a position to bring to their respective banks profitable business in the form of deposits, loans and exchange; and, concerning representations that the banks were engaged in or influencing insurance business, that no additional statutory protection "need be accorded to the insurance agents other than The Bank Act and the Provincial legislation already afford."

The Report of the Commission contained 119 printed pages, and included Chapters on the financial institutions of Canada, the operation of the Canadian financial system, economic features of Canada in relation to the financial system, the establishment of a Central Bank, agricultural credit, miscellaneous questions of banking practice, together with memoranda of dissent by Sir Thomas White and Mr. Leman, and a memorandum by Mr. Brownlee. An Appendix to the Report embodied various records submitted in the course of the hearings, and suggestions by the Commission itself, as to some of the main features of the constitution of a Central Bank.

**Decline in
Earnings of
Canadian
Industries**

Probably no clearer picture could be provided of the sharp contrasts in the fortunes of various individual corporations and the industries themselves throughout Canada during the year 1932 and the earlier part of 1933, than is afforded in the table appearing below—the earnings records of nearly 100 of the leading industrial corporations of Canada for the fiscal periods associated with 1930, 1931, 1932 and 1932-33 (where fiscal years overlapped the calendar years). No attempt has been made to estimate totals and to set them side by side in comparison. In most cases the figures cover operating or net profits. In a few cases, however, a clearer understanding of the results is obtained from records of gross sales—hence, these are used. In the aggregate, however, the 1932 (or 1932-33) totals would fall far below those of 1931, and still further below the 1930 results, as profits followed the steady shrinkage of volume of business. There is revealed, on the other hand, an almost startling lack of uniformity. In one group—the “gold” companies—increased output and higher profits are shown in nearly every case; these in 1933 were accentuated by the rapid rise in the “premium” on gold through depreciation in Canadian currency, this factor being sometimes offset, however, by a policy of handling lower grade ores.

Profits of another group of mining stocks, represented by Consolidated Mining and Smelting Company of Canada, Limited, International Nickel Company of Canada, Limited, and Noranda Mines, Limited, to the extent to which output was associated with the base metals, lead and zinc, and copper and nickel, were sharply reduced both by falling demand and lower prices (copper, for instance, falling from 18-20 cents to under 5 cents a pound). Consolidated “Smelters” profits dropped from \$4,106,289 in 1930 to a deficit of \$827,424 for 1932, International Nickel from \$9,220,309 in 1931 to \$3,363,400 in 1932; while Noranda’s drop in copper was offset by increased gold output.

Next to the “gold”s, public utilities, although earnings were cut down, showed the greatest stability, as their “products” (services) were more of a necessity than were those of other industries. This is illustrated by such companies as Bell Telephone Company of Canada (from \$40,926,162 to \$38,071,801); Calgary Power Company Limited; Canada Northern Power Corporation (held up by the “gold” group); Consumers Gas Company; Montreal Light, Heat and Power Cons. (from \$15,810,294 to \$15,252,769); Montreal Tramways Company (up); Ottawa Light, Heat and Power Company Limited (\$685,052 to \$683,106); Quebec Power Company; Shawinigan Water and Power Company (\$8,660,113 to \$7,388,915); Southern Canada Power Company Limited, and even Winnipeg Electric Company, which was faced with a difficult situation. Next, probably, to the public utilities in relative stability came the “oils”, such as British American Oil Company Limited,

Imperial Oil Limited and McColl-Frontenac Oil Company, particularly the first and last.

The record declines in prices of agricultural products were reflected in sharp reductions in earnings of producers of agricultural implements, such as Cockshutt Plow Company Limited (deficit of \$292,151 in 1932 as against profits of \$327,800 in 1930) and Massey-Harris Company Limited (deficit of \$1,788,010 in 1932 as against a profit of \$896,027 in 1930).

The railway companies faced huge declines in freight and passenger revenues—over 50 per cent. in four years: Canadian Pacific Railway Company (gross of \$123,936,714 in 1932 as against \$180,990,804 in 1930), while Canada Steamship Lines revenues fell from \$11,503,509 in 1930 to \$8,044,405 in 1932.

The drop in railway earnings was responsible, largely, for heavy declines in business of equipment companies such as Canadian Car and Foundry Company (down from profits of \$3,104,867 in 1930 to an operating deficit of \$913,193 in 1932), and National Steel Car Corporation Limited (from profits of \$440,595 in 1930 to loss of \$290,686 in 1932).

The losses from the stagnation that gradually developed not only in private enterprise—office buildings, factories, apartments, private dwellings—but also in public works in 1932 and 1933, affected seriously producers of steel, cement, brick, gypsum, sewer, water pipes, etc. The profits of Canada Cement Company, Limited were cut in two, from \$5,182,422 in 1931 to \$2,641,724 in 1932, with a further loss of 50 per cent. indicated for its fiscal year 1932-33; and Dominion Bridge Company Limited, Hamilton Bridge Company Limited, Page-Hersey Tubes Limited, Steel Company of Canada Limited and many more were forced to cut dividends. Asbestos Corporation Limited, with a deficit for three succeeding years as shown below, was a victim of other world factors as well.

The milling group, which had moved irregularly with regard to profits, in 1930 and 1931 reflecting price-cutting, tended to some improvement in 1932 and 1933. Other factors—such as exchange—played a part in this group where export was, generally, close to 50 per cent. of the output.

So far as newsprint mills like Abitibi Power and Paper Company Limited, Consolidated Paper Corporation Limited (Canada Power and Paper Corporation), Price Brothers and Company and St. Lawrence Corporation Limited were concerned, a steady decline in volume of sales that was only reversed after nearly four years (in June, 1933), accentuated by sharp declines in prices in 1931, 1932 and 1933, made such a heavy reduction in earnings that in every case dividends were passed, and in several instances bond interest was defaulted. Producers of other lines of paper, however, such as Howard Smith Paper Mills Limited held up fairly well, and the business recovery, both in volume and (unlike newsprint) in prices, came in May and June, 1933, and continued.

After standing up fairly well for a time, the cotton group, comprising such companies as Dominion Textile Company Limited, Canadian Cottons Limited, and Montreal Cottons Limited, saw sales and profits sharply lower. Penmans Limited (knitted) held up surprisingly well, and during 1932-33 the silk group recovered sharply.

Ford Motor Company of Canada Limited saw a sales slump from \$45,858,087 in 1930 to \$17,168,770 in 1932, with an improvement setting in about the middle of 1933. As a result, the tire business as well as export sales of Dominion Rubber Company Limited and Goodyear Tire and Rubber Company Limited also slumped. A general business recovery set in, however, after the middle of 1933.

A sharp decline both in domestic and export business, together with price-cutting, forced down profits of the distillery group, such as Canadian Industrial Alcohol Limited, Distillers Corporation-Seagrams Limited and Hiram Walker-Gooderham and Worts Limited. The brewing group, such as National Breweries Limited, held up better, but suffered seriously in the latter part of 1932 and early in 1933. The indicated progress toward repeal of the Volstead Act brought brighter prospects for the distilleries in 1933.

The grain companies did better in 1932-33, after a heavy slump in grain prices. Tobacco producers held up measurably well. Hotels suffered seriously up to late in 1933.

Comparative Results. In the list appearing below the majority are the larger companies; in some cases records are included even of smaller concerns in order to provide as great a diversity as is practicable. In a number of instances the fiscal years combine portions of two years, 1930-31, 1931-32 and 1932-33 respectively. (Where not otherwise specified, figures represent "operating profits").

Profits	1932	1931	1930
Alberta Pacific Grain.....	\$ 420,729	\$ 567,940	\$ 665,724
Asbestos Corp.	(def) 428,529	(def) 150,342	(def) 434,404
Bawlf Grain	(a) 63,898	90,673	(def) 8,152
Bell Telephone	38,071,801	40,926,162	41,360,095
Brandram-Henderson	(def) 244,095	100	66,298
Brazilian Traction, gross.....	29,358,420	34,896,767	46,898,444
British American Oil.....	4,378,521	4,415,745	4,111,215
B.C. Packers	81,022	(def) 290,607	(def) 897,377
F. N. Burt.....	420,316	532,162	592,559
Calgary Power	2,034,704	2,082,248	1,833,415
Canada Bread	257,183	451,763	467,956
Canada Cement, gross profits....	2,641,724	5,182,422	5,187,494
Canada Malting	404,551	428,002	361,362
Canada Northern Power, gross rev.	3,456,772	3,341,964	3,181,504
Canada Steamships	8,044,405	9,524,309	11,503,509
Canadian Cannery	729,017	511,656	1,025,037
Can. Car & Foundry.....	(def) 913,193	896,786	3,104,867
Can. Celanese	1,301,190	1,260,448	1,254,529
Can. Cottons	74,888	120,611	109,408
Can. Gen. Electric.....	2,086,467	3,176,444	4,688,069
Can. Ind. Alcohol.....	(def) 190,181	(def) 228,525	523,770
Can. Industries	2,066,561	2,529,928	2,707,205
Can. Pacific, gross earnings.....	123,936,714	142,337,648	180,990,804
Cockshutt Plow	(def) 292,151	(def) 494,486	327,800
Consolidated Bakeries	249,716	647,761	531,435
Cons. Mining & Smelting.....	(def) 827,424	441,053	4,106,289
Consumers Gas	2,105,195	2,190,641	2,218,773
Distillers-Seagrams	1,529,463	2,767,596	3,819,349
Dominion Bridge	1,228,408	2,164,852	2,383,814
Dominion Rubber, sales.....	8,320,972	12,903,744	18,208,042
Dominion Stores, sales.....	23,042,273	25,200,149	24,118,586
Dom. Tar & Chemical.....	505,013	1,279,760	1,681,683
Dom. Textile, sales.....	11,463,646	13,854,637	15,307,758
Federal Grain	(b) 500,278	765,192	789,399

Profits	1932	1931	1930
Ford Motor Co. of Can., sales....	\$17,168,770	\$21,596,851	\$45,858,087
Fraser Companies	111,477	1,382,341	278,290
General Steel Wares	(def) 167,543	(def) 349,407	12,538
Goodyear Tire & Rubber.....	1,463,653	2,746,681	2,407,587
Gurds	26,195	136,550	196,837
Gypsum	96,453	551,606	798,382
Hamilton Bridge	(def) 183,374	146,896	303,840
Hollinger, earned per share.....	80.5c	71.3c	80.5c
Howard Smith	1,377,556	1,101,715	1,231,760
Imperial Oil, net income.....	14,713,238	20,131,614	20,559,604
Imperial Tobacco	5,471,175	5,914,079	8,153,638
International Nickel	3,363,400	9,220,309	16,684,457
Lake of Woods Milling.....	511,726	(def) 935,468	188,412
Loblaw Groceries, sales.....	14,219,053	15,120,933	17,010,191
Manitoba Power	175,507	288,467	295,496
Maple Leaf Milling	74,754	419,127	(def) 4,677,147
Massey-Harris	(def) 1,788,010	(def) 1,523,149	896,027
McColl-Frontenac Oil	(c) 3,042,794	3,370,186	2,449,546
McIntyre-Porcupine, per share....	(d) 2.81	1.97	1.62
Montreal Cottons	(def) 14,327	(def) 118,717	(def) 130,888
Montreal L. H. & P.....	15,252,769	15,810,294	14,430,593
Montreal Tramways, Contract....	3,355,304	3,333,383	3,251,164
Moore Corporation	741,914	1,056,095	1,274,001
Mt. Royal Hotel.....	151,489	583,679	804,821
National Breweries	1,908,615	1,981,630	2,456,700
National Steel Car	(def) (e) 290,686	50,482	440,395
Noranda Mines	5,960,098	4,462,555	6,133,833
Ogilvie Flour Mills.....	744,937	755,149	1,127,436
Ottawa Power	683,106	685,052	681,445
Page-Hersey Tubes	312,637	852,350	1,642,558
Penmans	436,614	313,578	332,977
Power Corporation, revenue.....	885,475	3,412,404	3,702,912
Price Bros. & Co.....	401,392	3,308,954	3,332,798
Quebec Power	1,865,228	2,004,800	2,380,999
Reliance Grain	351,973	325,783	506,114
Rogers-Majestic	(f) 474,378	(d) 275,797	390,378
St. Lawrence Corp.....	(def) 568,862	1,171,738	2,759,875
St. Lawrence Flour.....	107,839	90,266	105,017
Service Stations	(d) 368,007	333,475	1,555,312
Shawinigan	7,388,915	8,660,113	10,021,477
Sherwin-Williams	74,167	388,470	784,732
Simpsons Limited	(g) 679,277	2,152,089	3,197,202
Southern Canada Power.....	1,402,214	1,437,073	1,408,471
Steel Co. of Canada	1,834,813	2,424,472	3,577,469
Teck-Hughes, per share.....	(h) 50c	77c	69c
Tuckett Tobacco	(k) 496,908	732,945	729,016
Viau Biscuit	56,763	218,784	315,467
Wabasso Cottons	(l) 590,127	238,463	520,732
Hiram-Walker's	255,267	1,660,882	2,757,165
Western Canada Flour.....	136,885	175,431	221,416
Western Grocers	141,136	121,671	133,777
Winnipeg Electric	2,095,662	2,145,351	2,431,915
Wright-Hargreaves, per share.....	32c	21c	14c

(a) fiscal year ended July 31, 1933; (b) fiscal year ended July, 1933; (c) to Jan. 31, 1933; (d) to Mar. 31, 1933; (e) to June 30, 1933; (f) to Mar. 31, 1933; (g) to Jan. 3, 1933; (h) to Aug. 1, 1933; (k) to Mar. 31, 1933; (l) to July 1, 1933; "def"—deficit.

Reductions in Dividend Payments. The heavy decline in earning power of the great majority of Canadian corporations in 1932 and 1933 forced, in some cases, further discontinuances of dividend payments both on preferred and common stocks, and, in others, the reduction of existing dividends. The most far-reaching effects of developments in this direction were probably those felt in connection with the Canadian Pacific Railway Company, when, early in 1933, it became evident that they would be forced to pass not only their common stock dividend but that on the preferred. The Report of the Company for 1932 announced that "the general situation and the result of the year's operation preclude the possibility of any further distribution for the year 1932 to either preferred or ordinary stockholders." Accordingly preferred shareholders of the C.P.R. received only one-half year of dividends for the year 1932, and the common shareholders in reality no payment at all, as the last payment on the common, 31¼ cents distributed on Apr. 1, 1932, was applicable to the final quarter of the year 1931. The effect of the decision, which had been hinted at in the case of the common some

time previously, was the more disappointing, as preferred dividends had been paid regularly from the issuance of the stock up to Oct. 1, 1932, while common dividends had been paid without interruption, save for 1895, in every year from 1882, following incorporation in 1881, up to Apr. 1, 1932,—that is, for almost 49 years. The financial statement for 1932 revealed, however, that there was available only \$257,881 for preferred dividends requiring over \$5,400,000 if disbursed for the entire year, with nothing, of course, available for the common stock. The following summary covers action taken in the case of most of the leading Canadian industrial stocks during the latter part of 1932 and the early part of 1933 in relation to dividend changes: National Steel Car Corporation Ltd. paid a quarterly dividend of 20 cents on Jan. 2, 1933, and afterwards passed; Dominion Bridge Company Ltd. declared quarterly dividends of 50 cents payable Feb. 15 and May 15, 1933, reduced from \$3.60 paid in 1930; Eastern Steel Products Ltd. passed their regular quarterly dividend of 50 cents (January, 1933); Viau Biscuit Corporation Ltd. passed their quarterly dividend of $1\frac{3}{4}$ per cent. on first preferred (January, 1933); Montreal Tramways Company reduced their quarterly dividend from \$2.50 to \$2.25, payable Jan. 14, 1933; Hamilton Bridge Company Ltd. passed their quarterly dividend of $1\frac{5}{8}$ per cent. on preferred due Nov. 1, 1932; Robinson Consolidated Cone reduced their quarterly dividend due Oct. 1, 1932, from $37\frac{1}{2}$ cents to 25 cents; H. Simon and Sons deferred their quarterly dividend of $1\frac{3}{4}$ per cent. on preferred due Dec. 11, 1932; Canadian Car and Foundry Company Ltd. passed their quarterly dividend on common of 15 cents due November, 1932, and that on preferred in 1933; Muirheads' Cafeterias passed their dividend of 25 cents (four months) on preferred, due Nov. 1, 1932; Brazilian Traction Light and Power Company Ltd. announced (January, 1933) that no further action would be taken on common dividends at that time on account of continued exchange difficulties in Brazil; Quebec Power Company reduced (January, 1933) their quarterly dividend rate of $37\frac{1}{2}$ cents to 25 cents; Standard Paving and Materials Ltd. passed in January, 1933, their preferred dividend, formerly 50 cents quarterly; Dominion Textile Company Ltd. reduced their quarterly dividend from \$1.25 to \$1.00 for payment due Apr. 1, 1933, and for balance of year; Montreal Cottons Ltd. passed for Mar. 15, 1933, their quarterly dividend of \$1.50 on common; Bell Telephone Company of Canada reduced their quarterly dividend of \$1.75 on capital stock to \$1.50 for payment on Apr. 15, 1933; Charles Gurd and Company reduced (January, 1933) their quarterly rate from \$1.00 per annum to 60 cents and afterwards passed; Canada Permanent Mortgage Corporation reduced their quarterly dividend rate from 3 to $2\frac{1}{2}$ per cent. (April, 1933); Hunt's Limited reduced their quarterly dividend from 25 cents to $12\frac{1}{2}$ cents on "A" and "B" stock (Apr. 1, 1933); Steel Company of Canada Ltd. reduced their quarterly dividend of $43\frac{3}{4}$ cents on common to 30 cents (May 1, 1933); Toronto General Trusts Corporation reduced their quarterly dividend from $2\frac{1}{2}$ to 2 per cent. (Apr. 1, 1933); Canada Bread Company Ltd. passed their quarterly dividend of 50 cents due Dec. 1, 1932, on "B" preferred and reduced that on "A" preferred from \$1.75 to \$1.00 (Apr. 1, 1933); Canadian Cannery Ltd. reduced their quarterly dividend on convertible preferred from 10 cents to 5 cents (Apr. 1, 1933); Central Canada Loan and Savings Company, from $2\frac{1}{2}$ to 2 per cent. (Apr. 1, 1933); Belding-Corticelli Ltd., from \$1.75 to \$1.00 (Apr. 15, 1933); Canada Bud Breweries Ltd., from 25 cents to 15 cents (Apr. 15, 1933); Silverwoods' Dairies Ltd., from \$1.75 to \$1.00 (Apr. 3, 1933); Eastern Dairies Ltd. passed their quarterly dividend of $1\frac{3}{4}$ per cent. on preferred (Apr. 15, 1933); C. W. Lindsay and Company passed their quarterly dividend of $1\frac{5}{8}$ per cent. due June 1, 1933, on preferred; and MacKinnon Steel on Feb. 1, 1933, reduced their quarterly dividend of \$1.75 on preferred to $87\frac{1}{2}$ cents and then passed.

Commercial Failures in Canada. The number of commercial failures in Canada in 1932 (Dominion Bureau of Statistics), totalling 2,420, was greater than in 1931 when 2,216 failures were recorded. The defaulted liabilities for 1932, amounting to \$51,629,303, however, were lower than the

1931 total of \$52,552,900. Although the number of failures in 1931 had been less than in 1930, the defaulted liabilities were greater. The Maritime Provinces, Quebec and Ontario showed an increase in the number of failures in 1932 while Manitoba and Saskatchewan showed a decrease, with the totals for Alberta and British Columbia remaining the same as in the previous year. In the classification of causes of failures there was a sharp decline in 1932 in that of "finance," the number of 29 in 1930 and 21 in 1931 falling to 7 for 1932. Trade failures increased from 1,102 in 1931 to 1,171 in 1932; manufactures were up from 464 to 468; agriculture, from 125 to 190; construction, from 61 to 83; transportation and public utilities, from 42 to 43, and "service," from 255 to 390.

Failures 1923-32

	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total	Liabilities
1932.....	9	62	80	968	889	86	91	131	104	2,420	\$51,629,303
1931.....	7	51	74	795	793	109	152	131	104	2,216	52,552,900
1930.....	3	61	45	1,011	776	113	146	152	95	2,402	48,164,065
1929.....	1	71	61	927	762	91	84	101	69	2,167	38,747,638
1928.....	4	90	56	767	758	103	63	126	70	2,037	32,455,437
1927.....	4	66	74	658	681	97	54	135	72	1,841	30,634,469
1926.....	4	63	74	654	655	84	68	113	58	1,773	32,291,125
1925.....	4	71	67	758	721	85	77	139	74	1,996	32,153,697
1924.....	3	69	67	907	835	100	131	150	57	2,319	48,105,397
1923.....	16	155	67	1,181	970	258	280	323	158	3,408	61,617,527

During the first six months of 1933 there was a falling off in the cumulative total of commercial failures, the total being 1,139 compared with 1,237 for the same period in 1932; 1,109 in 1931; 1,205 in 1930; 1,153 in 1929; and 968 in 1928. The defaulted liabilities for the first half of 1933 were \$19,355,795, or nearly \$2,000,000 less than the total for the 1932 period, amounting to \$21,221,450. The corresponding total for 1931 was \$22,853,013 and \$26,408,325 for 1930. Trade failures for the first half of 1933 were 604 as against 583 the previous year; manufacturing, 216 against 248; agriculture, 48 against 98; construction, 29 against 36; finance, 3 as compared with 4 in 1932; and service, 129 as against 153. Quebec Province led in totals with 475 against 468 the previous year while Ontario registered 436 failures as against 466 in 1932.

Capital Reorganizations of Corporations. The decrease in volume of business and the steady decline in earning power forced the passing of dividends in 1932 and 1933, and inability to continue bond interest payments made it necessary for many companies to call meetings of bondholders to agree to proposals for capital reorganizations, under which "fixed charges" would be reduced, as well as (in many cases) the par value of the securities affected. Below appears a summary of the more outstanding instances.

Abitibi Power and Paper Company. G. T. Clarkson was appointed Receiver and Manager for this Company on Sept. 10, 1932; his Report showed that during the period between Jan. 1 and Sept. 10, 1932, operating profits were \$1,105,823 which, after depreciation and allowance for bond and other interest, was changed to a deficit of \$1,529,311. On Sept. 26 the Company was declared bankrupt and on Nov. 15 F. C. Clarkson was appointed permanent liquidator. Abitibi's relation to its subsidiary, Ontario Power Service Corporation, is given under that head.

Ontario Power Service Corporation. This Company was organized as a fully owned subsidiary of Abitibi Power and Paper Company and in 1930 construction was begun of a hydro-electric plant at Abitibi Canyon of a projected capacity of 275,000 h.p. The estimated cost of construction was \$23,000,000 and in July, 1930, \$17,800,000 was provided by a public issue of \$20,000,000 5½ per cent. bonds of Ontario Power Service Corporation which had a contract for power with Abitibi and the Hydro-Electric Power Commission of Ontario. Abitibi also guaranteed funds to bring the work to completion, if such were needed. On July 1, 1932, default was made on Ontario Power Service bond interest and "Abitibi" found itself unable to provide funds for continuing the work. Late in 1932 most of the bonds were exchanged for

new guaranteed bonds of the Hydro-Electric Power Commission of Ontario, which raised the market level of Ontario Power Service bonds to about 80 ("Hydro" bonds given on a basis of \$90 for each 100 of Ontario Power Service). In March, 1933, with nearly all the bonds deposited, the Commission took title to the property and the power development was completed.

Beauharnois Power Corporation Limited. On May 4, 1933, holders of the 6 per cent. collateral trust bonds of Beauharnois Power Corporation (\$30,000,000 outstanding) met in Montreal and after a prolonged and stormy session rejected four alternative proposals of reorganization and financing in favour of the so-called "Montreal Power" Plan. This was practically the last step in the settlement of a question that had cut deep into political as well as financial history. Under the Plan, holders of the original issue of the 6 per cent. bonds of Beauharnois Power Corporation Ltd. were to receive \$36,000,000 (120 per cent.) of new 5 per cent. 40-year collateral trust bonds. The new bonds would mature Apr. 1, 1973, instead of Oct. 1, 1959 (as in the 6 per cent. bonds). Interest was to accrue only from Oct. 1, 1937, with first payment on Apr. 1, 1938. All interest due on the old bonds on Apr. 1, 1932, and subsequent amounts owing up to Oct. 1, 1937, were to be cancelled. A modified sinking fund was to be established. As collateral for the new bonds, an equal amount (\$36,000,000) of 6 per cent. second mortgage bonds, as well as 40,000 shares of common stock, of Beauharnois Light, Heat and Power Company (the operating subsidiary), was pledged. New 5½ per cent. first mortgage bonds of the same Company (B.L.H.&P.C.) were to be created, with \$40,000,000 outstanding out of an authorized \$75,000,000, maturing July 1, 1973. These replaced outstanding 10-year bonds of \$40,000,000 pledged with the banks for loans. New common stock of Beauharnois Power Corporation Limited was to be issued, amounting to 762,000 shares. This stock was to be divided in four directions. First of all, holders of the 6 per cent. collateral trust bonds were to be given 5½ shares of new for each \$1,000 bonds with old stock warrants attached, or five shares for the bonds, "ex-warrants." Secondly, in connection with an offering of \$13,500,000 of the new first mortgage 5½ per cent. bonds of Beauharnois Light, Heat and Power Company, each holder of the 6 per cent. collateral trust bonds who subscribed for the new 5½ per cent. bonds (at 95) was to receive eight shares of new common stock for each \$450 of new bonds subscribed for. Thirdly, Montreal Light, Heat and Power Consolidated, in return for "underwriting" the entire issue of \$13,500,000, was to receive as a bonus 200,000 shares of new stock; and, finally, each holder of the old common was to receive one share of new in return for 10 shares of old. This Plan was approved by the shareholders of Beauharnois Power Corporation Ltd. and went into effect on July 1, 1933.

It was announced (July, 1933) that the collateral trust bondholders had subscribed for about \$5,000,000 of the new 5½ first mortgage bonds, leaving \$8,500,000 to be taken up by Montreal Light, Heat and Power Consolidated, giving the latter corporation "control" of the Beauharnois enterprise through holdings of common stock of Beauharnois Power Corporation. It was the "guarantee" contained in the "Montreal Power" plan that the money required to complete the installation up to 500,000 h.p. would be made available that won for this Plan support more than sufficient to carry it through. While a good deal of criticism was levelled at the Dominion Government for not guaranteeing the balance of the money required to complete the work (it had already guaranteed close to \$16,000,000 of bank loans), and for permitting the Company to pass into the hands of another private corporation, the price of the old collateral trust bonds rose sharply, through relief at the settlement of the financial problem involved. (See also page 91).

Price Brothers and Company. Following upon the organization of a Bondholders' Protective Committee of Price Brothers and Company (Aug. 1, 1932) to consider some plan for capital reorganization in view of default existing on the first mortgage bonds, various offers were made in the ensuing 12 months by two groups: one, representing Duke-Price Power Company, Lord Beaverbrook and Viscount Rothermere, and the other, Bowater's Paper Mills (London, England) and a group of Canadians. Finally (September,

1933) the Committee decided in favour of what was known as the "Bowater" plan, the general outline of which, it was intimated, covered the maintenance of the position of the bondholders and funding two years of arrears of interest; provided \$5,000,000 of new capital with income debentures as collateral; contained an offer of 25 per cent. cash for proved claims of unsecured creditors, and a right to subscribe for the new debentures offered to the preferred and common shareholders. The Committee indicated it would send out this plan to the bondholders with a recommendation for its acceptance. On Apr. 1, 1933, Hon. Gordon W. Scott had taken over the liquid assets as Trustee in Bankruptcy.

Moir's Limited. Bondholders agreed (February, 1933) to a plan of reorganization under which bonds outstanding of \$1,514,500 were cut in two, interest reduced from $6\frac{1}{2}$ to 6 per cent. and cancelled until 1935. Sinking fund payments were to start from Feb. 1, 1938, on basis of 20 per cent. of net profits after interest and depreciation.

Firstbrook Boxes. On passing of preferred dividends, shareholders (September, 1932) appointed a Committee to represent their interests.

Northwestern Power Company Limited. Protective Committee formed (November, 1932) on behalf of bondholders, interest being in default.

Burns and Company. Bondholders' Protective Committee formed (October, 1932) as result of postponement of interest and sinking fund.

Canadian Locomotive Company. At a meeting held on Dec. 13, 1932, bondholders agreed to accept "income" bonds in place of existing first mortgage bonds with provision that interest would not be paid for 1932 and 1933 and would be cumulative only from Jan. 1, 1934. No sinking fund payments would be due until 1937. Bondholders for these concessions were to receive 51 per cent. new common stock and were to control the Company through three shares of preferred stock.

Dominion Woollens and Worsteds. Bondholders met on Jan. 25, 1933, and approved deferment of interest instalments between Dec. 1, 1932, and June 1, 1934, release of obligation from payment in "United States funds" and issuance to bondholders of 21,170 shares of common stock out of total of 86,170 shares to be outstanding. Shareholders later approved of reorganization plan.

Ontario Bakeries. Bondholders ratified on Dec. 1, 1932, a plan of reorganization wiping out old preferred and common stock and giving bondholders one share of new preferred for each 100 par of bonds and right to subscribe for common stock in ratio of 5 shares (at \$1 each) for every \$100 of bonds. Creditors of Company were to receive one new preferred share for each \$100 owed to them.

Dairy Corporation of Canada. Holders of 6 per cent. debentures agreed to postponement of interest due on Jan. 1 and July 1, 1933, and to cancel sinking fund for 5 years, receiving interest of 6 per cent. on arrears of interest until paid.

Dominion Steel and Coal Corporation. Announcement was made of a decision to defer payment of interest on 6 per cent. debenture stock due Mar. 1, 1933; a reorganization plan was being worked out.

Nova Scotia Steel and Coal Company. A receiver and, later, a liquidator were appointed, bondholders approving these steps on Apr. 20, 1933.

British Columbia Pulp and Paper. Holders of 6 per cent. first mortgage bonds approved (May 26, 1933) postponement of interest due in 1933 and 1934, and sinking fund due in 1932, 1933 and 1934.

Canada Steamship Lines. At a meeting of holders of the 5 per cent. first mortgage bonds (held Mar. 22, 1933) proposal to suspend sinking fund until 1937 was ratified. Committee was later formed for holders of 6 per cent. general mortgage bonds and interest (due Apr. 1, 1933) and sinking fund passed pending plan for reorganization.

Lake St. John Power and Paper Company. Shareholders (February 1933) sanctioned an increase in the number of directors from 5 to 7, and the establishment of a voting trust to act for bondholders who were to elect 5 of the directors—the voting trust to continue until arrears of bonds and debenture interest and sinking funds were cleared off. This action followed default of bond interest on Aug. 1, 1932. Protective Committees to represent both bondholders and debenture holders were appointed Oct. 1, 1932.

Canadian Rail and Harbour Terminals. First mortgage interest paid in Canadian funds only: general mortgage and debenture interest in default (March, 1933).

Bond Financing in Canada during 1932

Conditions prevailing in the bond markets of the world during 1932 forced upon Canada the smallest volume of public offerings since 1920. For the most part the usually responsive market in the United States was cut off, owing to the sharp discount on the Canadian dollar in that country and, to a certain extent, to the prevailing unfavourable attitude in the United States toward foreign bonds or other securities. The London market continued to be averse to accepting any but domestic issues, an attitude which undoubtedly secured sympathy, if not actual direction from the British Government. In Canada also, notwithstanding the improvement that set in about the mid-year in nearly all bond markets, it was found practically impossible to float new corporation issues—even public utilities—and in the case of “Governments” and “Municipals” no chances were taken: offerings were limited to necessary financing. As a result, the total sales of new Canadian issues were only about \$479,000,000, or 38 per cent. of the 1931 total of \$1,254,000,000, and less than two-thirds of the 1930 total of \$763,000,000. Of the bonds placed in 1932, \$383,000,000 found a market in Canada; \$81,000,000 in the United States and some \$14,500,000 in Great Britain. Government issues (Dominion and Provincial) formed the large bulk of the total, over \$362,000,000, with \$94,000,000 of Municipal issues; \$10,000,000 of Corporation and \$12,500,000 of Railway bonds. The Government total compared with \$985,236,505 in 1931, little more than one-third; the Municipal was within \$2,500,000; the Corporation, less than 40 per cent., and the Railway, little more than one-tenth the 1931 total.

The following table (compiled by A. E. Ames & Company) gives detailed figures for 1932 and the three previous years:

Sold in:	Government	Municipal	Corporation	Railroad	Total
Canada	\$269,552,000	\$ 93,803,986	\$ 10,265,000	\$ 10,000,000	\$ 383,620,986
United States	78,667,000	.....	.....	2,500,000	81,167,000
Great Britain	14,478,284	100,000	.....	.....	14,578,284
Total 1932.....	\$362,697,284	\$ 93,903,986	\$ 10,265,000	\$ 12,500,000	\$ 479,366,270
“ 1931.....	985,236,505	87,374,934	55,337,000	120,000,000	1,247,948,439
“ 1930.....	295,157,800	114,034,507	216,592,500	137,238,000	763,022,807
“ 1929.....	118,960,000	115,534,456	220,893,600	198,000,000	658,388,556

According to a record compiled by Dominion Securities Corporation, the proportion of Canadian bonds sold in Canada in 1932 amounted to 79.55 per cent., with 17.35 per cent. sold in the United States and 3.10 per cent. in Great Britain. The last figure was the

largest since 1929 when 4.40 per cent. of the total Canadian bonds issued had been sold in Great Britain. The sales in Canada in 1932 were slightly less on a percentage basis than in 1931, and sales in the United States somewhat greater, but the table below indicates clearly the extent to which Canada was accustomed to depend on the United States market for absorption of its new bond issues: those amounted to more than 46 per cent. of the total in 1930; more than 42 per cent. of that in 1929; and nearly 48 per cent. of the total in 1928. In other words almost as large a volume of Canadian bonds was sold in the United States as in Canada until the dislocated conditions in the financial world made this impracticable from 1931 on. The comparative table is as follows:

Canadian Bond Distribution

	1932	1931	1930	1929	1928
Dominion of Canada	\$226,250,000	\$ 864,307,500	\$100,000,000		
Provincial	136,440,301	125,157,205	158,081,800	\$115,310,500	\$ 78,876,333
Municipal	84,420,174	86,770,306	113,211,556	99,579,207	29,909,525
Railway	12,500,000	121,750,000	138,487,000	198,000,000	43,396,000
Public Service Corp..	6,245,000	45,300,000	143,120,500	83,100,000	58,260,000
Industrial and Miscel.	1,840,000	8,972,000	52,190,000	132,026,500	213,183,000
TOTAL.....	\$467,695,475	\$1,252,257,011	\$705,090,856	\$628,016,207	\$423,624,858
Percentage placed:					
In Canada	79.55%	85.78%	51.82%	52.42%	48.50%
In United States..	17.35%	13.62%	46.51%	43.18%	47.96%
In Great Britain...	3.10%	0.60%	1.67%	4.40%	3.54%

Below is given a table (compiled by *The Monetary Times*) showing a record of Canadian bond sales of the years 1904 to 1932. These included the years of the War Loans and Victory Loans (1915 to 1919). The Refunding Loan of 1931, however, was so successful as to bring the total for that year, for the first time in Canadian financing, to well over one billion dollars (\$1,250,000,000).

Canadian Bond Sales, 1904-1932

Year	Dominion	Provincial	Municipal	Railway	Corporation	Total
1932	\$226,250,000	\$128,217,000	\$ 95,600,632	\$ 12,500,000	\$ 10,550,000	\$ 473,117,632
1931	858,109,300	126,239,205	85,290,066	121,750,000	59,432,000	1,250,820,571
1930	140,000,000	160,004,000	109,648,063	137,238,000	220,335,000	767,245,063
1929	.....	119,960,500	98,667,809	199,200,000	243,330,600	661,158,909
1928	.....	92,992,500	27,120,588	48,396,000	285,083,000	453,592,088
1927	45,000,000	114,795,500	72,742,114	80,000,000	289,680,067	602,217,681
1926	105,000,000	76,633,267	65,020,194	34,500,000	250,919,200	532,072,661
1925	169,333,333	106,970,000	46,218,987	40,925,195	120,085,833	483,533,348
1924	175,000,000	89,640,000	88,731,612	157,375,000	69,179,180	579,925,792
1923	200,000,000	106,279,000	83,686,422	27,500,000	97,352,320	514,817,742
1922	200,000,000	114,918,000	87,088,877	13,505,100	76,885,500	492,397,477
1921	.....	160,745,400	84,776,931	96,733,000	61,335,825	403,591,156
1920	.....	125,993,000	56,371,391	96,500,000	46,050,276	324,914,667
1919	763,000,000	52,374,000	26,274,089	35,359,133	42,930,000	909,937,222
1918	689,016,000	18,605,000	43,570,361	19,600,000	4,565,000	775,356,361
1917	650,000,000	15,300,000	24,189,079	17,700,000	18,850,000	726,039,079
1916	175,000,000	33,173,000	93,977,542	22,240,000	32,240,000	356,882,542
1915	170,000,000	48,105,000	67,393,328	33,675,000	15,933,000	335,106,328
1914	48,666,666	56,100,000	79,133,996	59,719,000	29,315,405	272,935,067
1913	34,066,666	36,850,000	110,600,936	65,895,880	126,381,813	373,795,295
1912	25,000,000	25,639,700	47,159,288	45,014,925	130,124,069	272,937,982
1911	.....	11,375,000	30,295,838	85,611,265	139,530,885	266,812,988
1910	45,000,000	10,000,000	49,043,325	41,090,000	85,867,265	231,000,590
1909	62,500,000	9,187,500	31,532,960	100,803,180	61,134,612	265,158,252
1908	47,665,000	550,083	44,814,930	.....	103,326,508	196,356,521
1907	.....	9,274,000	14,430,540	.....	58,931,200	82,635,740
1906	.....	10,000,000	8,332,008	.....	35,655,000	53,987,008
1905	.....	346,087	9,013,163	.....	125,515,281	134,874,531
1904	.....	11,146,000	14,684,247	.....	9,344,000	35,174,247

Borrowings in the United States. The chief Canadian issue sold in the United States during 1932, and one that represented 75 per cent. of Canadian financing in that country, was for \$60,000,000 (September), a one-year maturity bearing interest at 4 per cent., readily taken up at par. This was to provide for a short-term maturity of \$40,000,000 with \$20,000,000 additional, the latter chiefly on Canadian National Railways account. Apart from this there were only three other Government offerings: Province of Ontario, \$15,000,000 (October) in the form of a 3½ per cent. one-year loan; and Province of British Columbia, \$2,000,000 (August), a 2-year 5 per cent. loan at 96.375 to yield 7 per cent.; and \$4,015,000 (October), a 3-year 5 per cent. bond at 96.50 to yield 6.30 per cent. In 1931 every Province except New Brunswick had borrowed in the United States, Ontario to an extent of \$35,000,000. No loans were placed in the United States by Canadian municipalities in 1932, as against a total of more than \$21,000,000 in 1931. Of corporation issues, a similar condition was recorded; as against \$11,500,000 in 1931. The railroad group also furnished a strong contrast: in 1931, an offering of \$57,400,000 was placed and in 1932, only \$2,500,000. The latter consisted of \$2,500,000 of a Canadian Pacific 6 per cent. convertible 10-year bond, out of a total offered of \$12,500,000. In 1931 it had been the Canadian National Railways that monopolized Canadian railroad financing in the United States, in two offerings aggregating \$57,400,000, as referred to above. Probably some C.N.R. financing would have been carried out in 1932 had not the Dominion Government decided in that year to finance no longer the requirements of the C.N.R. by bonds issued in the name of the Railroad and guaranteed by the Dominion of Canada; in future all C.N.R. offerings would be in the name of the Dominion of Canada.

Canadian Financing in Great Britain. For the first time, in 1932, in spite of disturbed exchange conditions, Canadian financing in the British market took on a semblance of pre-War days, when the major part of Canadian requirements was obtained in London. The Dominion Government did not participate in 1932 (an outstanding successful loan for £15,000,000 was floated on Aug. 1, 1933, however), but three Provinces found their offerings well taken: Alberta, £1,000,000 in June, in a 5 per cent. serial issue (1932-67), offered at 98; British Columbia, £1,500,000, in May, in a 5 per cent. 35-year maturity at 99; and New Brunswick, £352,000, in April, in the form of a 5 per cent. 30-year bond. The only other issue taken in Great Britain directly, apart from these, was a \$100,000 bond of New Toronto and Mimico Joint Sewerage Board, at 6 per cent. with a 30-year maturity.

Dominion Government Financing in Canada. In addition to an issue of one-year four per cent. Treasury notes of \$60,000,000 sold in New York (as referred to above) the Dominion Government carried out two distinct financing operations in Canada in 1932. One of these consisted of an issue, under date of Aug. 1, 1932, of \$50,000,000 of one-year Treasury notes bearing interest at 4½ per cent., sold at par. Closely associated with this, in that it, too, consisted of a transaction as between the Government and the chartered banks of Canada, was an issue of two-year notes for \$35,000,000 dated Nov. 1, 1932. These bore interest at 4 per cent. and were sold at par and accrued interest. In addition, for temporary financing, Treasury bills to an amount of \$12,000,000 dated Oct. 15, 1932, were also sold to the banks at par. These 90-day 4 per cent. bills calling for redemption on Nov. 3, 1932, constituted what might be termed "private" financing by the Dominion Government. A public issue of securities, in which a national appeal for subscriptions was made, took place at the end of October (1932). The offering consisted of \$80,000,000 in all, \$25,000,000 of three-year bonds and \$55,000,000 of twenty-year bonds, each bearing 4 per cent. interest. The short-term bonds were sold at 99.20 and interest, to provide a yield of 4.28 per cent., while the twenty-year bonds, at 93.45 and interest, provided a yield of 4½ per cent. The short-term maturity, appealing to the requirements of the

banks and other financial institutions primarily, was about three times oversubscribed on the first day of offering; it was found necessary to make allotments on a percentage basis on all subscriptions exceeding \$25,000. The 20-year maturity moved more slowly owing to the fact that immediately after the date of issue bond market conditions developed certain unfavourable features, partly induced by a fall in the price of wheat, which previously had been advancing, and partly to an easier tendency in the United States bond market to which the Canadian market, always susceptible to developments in that country, reacted. The entire issue of \$55,000,000, however, was oversubscribed in about two weeks to an extent of \$1,191,000, bringing the total of the two issues, which were accepted, to \$81,191,000. Both groups of bonds were made payable in Canada only, whereas nearly all previous issues for many years had been payable in the United States as well. This limitation to "Canadian-pay" was the direct result of the penalty which had been imposed on the Dominion Government and other Canadian borrowers since Sept. 21, 1931, when New York funds rose to a premium that caused payment on this basis of principal and interest to be effected at a heavy additional cost. The sale of the Dominion Government's offerings in Canada in 1932 was in charge of a Committee representing banks and investment houses under the chairmanship of Sir Charles Gordon, O.B.E., President of the Bank of Montreal. In commenting on the issue, the Minister of Finance, Hon. Edgar N. Rhodes, in his Budget Speech (delivered in the House of Commons at Ottawa on Mar. 31, 1933) declared that "with this issue new ground was broken and for the first time there was offered for public subscription in Canada, a Dominion security bearing a four per cent. coupon." Mr. Rhodes also commended "the responsiveness of investors to the prime security of Canada." The proceeds of the issue were used to pay off an amount of \$34,449,950 still outstanding of 5½ per cent. Renewal Loan bonds of the Dominion, which remained after the Conversion Loan of 1931 and, also for general Government requirements. (See Section: "Federal Administration and Politics" for Funded Debt of Canada in 1933).

Provincial Financing. Ontario was the largest borrower among the Provinces in 1932, to the extent of \$60,000,000, of which \$15,000,000 was sold in the United States. Public issues included two each of \$20,000,000: the first was in January through a 15-year bond bearing 5½ per cent. interest, sold at 96, with a cost basis to the Province of 5.90 per cent.; and the second was in July, a 14-year maturity, also with a 5½ per cent. coupon rate, sold at 97 on a cost basis of 5.81 per cent. Later on, as the bond market improved, money became available at a lower cost for Provincial and Municipal financing. In January (1932) a short-term maturity, 6 per cent., 3-year, for \$5,000,000, was sold at par—a cost basis of 6 per cent. Later in that year and also in 1933 short-term money was available at a much lower cost. British Columbia came second in volume of borrowings, \$18,415,000 (\$5,000,000 only in Canada) starting in February (1932) with a 6 per cent. coupon, and later disposing of 5 per cent. bonds. Alberta sold \$5,000,000 of 6 per cent. bonds also in February, a 15-year maturity, at 95.25, at a cost to the Province of 6½ per cent. This cost basis was for a time accepted for the Western Provinces—far above the average cost of Provincial financing, but the best the market would accept early in 1932. A second Alberta issue (\$1,000,000) was placed in London in June, as noted above. Manitoba sold bonds amounting to \$9,000,000, with the earlier cost of 6½ per cent. reduced later to 4.76 per cent. New Brunswick was an unusually heavy borrower in the year, for approximately \$13,662,000, in four issues, with the coupon rate 5 per cent. and 5½ per cent. Nova Scotia called for \$3,510,000 on a short-term basis; Prince Edward Island sold \$1,400,000 of 5½ per cent. and 6 per cent. bonds, and Saskatchewan, on five separate occasions, sold \$12,480,000 of bonds, three bearing 6 per cent. and two, 5½ per cent. coupons, the cost basis gradually being reduced from the initial 6½ per cent. to the final 5.80 per cent.

Provincial Offerings in Canada

Province	Date	Amount	Interest Rate Per Cent.	Maturity	Yield Basis Per Cent.
Alberta	Feb.	\$5,000,000	6	15 years	6.50
British Columbia	Feb.	5,000,000	6	15 "	6.50
Manitoba	May	5,000,000	6	15 "	6.50
"	Sept.	4,000,000	5½	23 "	5.76
New Brunswick	Jan.	5,062,000	5½	20 "	5.75
"	Apr.	1,750,000	5	30 "	....
"	May	5,000,000	5½	18 "	5.90
"	Sept.	1,850,000	5	25 "	....
Nova Scotia	July	1,500,000	5½	2 "	5.50
"	Oct.	2,010,000	4½	2 "	4.40
Ontario	Jan.	5,000,000	6	3 "	6.00
"	Jan.	20,000,000	5½	15 "	5.90
"	July	20,000,000	5½	14 "	5.81
Prince Edward Island	Jan.	150,000	5½	20 "	5.85
"	Apr.	1,000,000	6	15 "	6.00
"	May	250,000	5½	5 "	....
Saskatchewan	Mar.	4,000,000	6	20 "	6.50
"	Aug.	1,980,000	6	20 "	6.25
"	Aug.	2,000,000	6	20 "	6.12
"	Sept.	2,500,000	5½	20 "	5.80
"	Oct.	2,000,000	5½	20 "	5.80

Municipal Financing. Among municipalities the City of Montreal was the largest individual borrower in 1932, of the unusually large total of \$38,527,500. It started with two bond issues in January amounting to \$15,-226,000 at a cost basis of 6 per cent. Other issues were for \$5,000,000 and \$9,415,500, also at 6 per cent., with a 9-months issue (banking) for \$8,866,500. The City of Toronto was next with a single offering of \$15,299,000, with a coupon rate of 5½ per cent. and a yield basis, varying as it did for a serial issue covering 30 years, from 5.70 per cent. to 5.75 per cent. The next largest issue was that of Ottawa, for \$3,151,607, with interest at 5½ per cent., and the yield varying on a serial basis between 5.67 per cent. and 5.85 per cent. The City of Quebec borrowed \$3,008,000 through a 7-year 6 per cent. bond. Hamilton sold two issues, one in January for \$1,594,000 bearing 5 per cent. interest rate, and selling on a 5.65 per cent. basis. A later issue for \$2,560,328 had to carry a 6 per cent. interest coupon, selling at par to yield 6 per cent. The table below shows municipal issues exceeding \$500,000 during 1932:

Municipality	Date	Amount	Interest Rate Per Cent.	Maturity	Yield Basis Per Cent.
Great Vanc. Water Board ..	Apr.	\$1,000,000	6½	1 year	6.50
Hamilton	Jan.	1,594,000	5	20-30 ins.	5.65
"	Apr.	2,560,328	6	30 ins.	....
Kitchener	June	569,970	5 & 6	var.	6-6.10
Montreal	Jan.	3,770,000	6	4 years	6.00
"	Jan.	11,456,000	6	10 "	6.00
"	June	5,000,000	6	1-2 "	....
"	June	9,415,500	6	6, 8, 12 years	....
"	Nov.	8,886,500	..	9 mos.	....
Montreal Metrn. Comm.	July	1,800,000	6	2 years	....
" Prot. Schools.	May	1,000,000	6	5 "	6.05
"	July	1,000,000	6	5 "	6.00
" R.C. "	Feb.	4,550,000	6	5 "	6.00
"	Sept.	700,000	5	30 "	4.90
Ottawa	May	3,151,607	5½	var.	5.67-5.85
" R.C. Schools	Aug.	900,000	6	30 years	5.75
Quebec	Apr.	3,008,000	6	7 "	....
"	Sept.	674,800	5	5 "	5.00
Sudbury	Apr.	593,843	6	20 ins.	6.90
St. John	Apr.	573,400	6	15 years	....
"	July	833,500	6	15 "	6.05
St. John Schools	July	625,000	6	15 "	5.90
Three Rivers	Aug.	770,500	6	15 ser.	6.00
Toronto	Mar.	15,299,000	5½	30 ser.	5.70-5.75
Winnipeg	Mar.	2,000,000	6	10 years	6.35

Corporation Issues. Owing to lack of a receptive feeling to new bond or stock issues of corporations, the only major issues in 1932 were those

of the Canadian Pacific Railway Company for \$12,500,000, referred to previously, and of Shawinigan Water and Power Company for \$6,000,000 of a 5-year 6 per cent. bond. This latter was offered at 97.75 to provide a yield of $6\frac{1}{2}$ per cent. In addition, Hopital St. Luc, Montreal, distributed 6 per cent. bonds amounting to \$1,500,000 in April, a 27-instalment issue at par yielding 6 per cent.; shareholders of Quebec Telephone and Power Corporation in August took up a \$200,000 6 per cent. 5-year bond at 90, giving a yield of $8\frac{3}{4}$ per cent.; St. James Parish of Montreal sold \$325,000 of 6 per cent. ten-instalment bonds in November, at par; Sisters of Charity, Montreal, in July had an issue of \$1,250,000, bearing $6\frac{1}{2}$ per cent. interest, repayable in 27 instalments, selling at par. Another issue was that of James Morrison Brass Company for \$160,000, a 15-year maturity, bearing $7\frac{1}{2}$ per cent. interest.

Bond Financing First Half of 1933. During the first six months of 1933 general conditions of bond financing by Canadian institutions, including governments, continued along similar lines to those of 1932, with the great bulk of offerings limited to governments, with few offerings by municipalities and corporations, and none by railroads. The entire amount offered was financed in Canada with the exception of an arrangement made at the end of June by the Dominion Government for an issue of \$60,000,000 of 4 per cent. notes to mature in 15 months, that is, on Oct. 1, 1934. This offering was made well in advance of the maturity of the \$60,000,000 one-year issue sold on Oct. 1, 1932, and referred to above. The issue was sold at 99 $\frac{3}{4}$, costing the Canadian Government thus slightly over 4 per cent. The following table (compiled by A. E. Ames & Co.) covers the distribution according to classification of borrower and according to the distribution in Canada and the United States of Canadian bonds issued during the first half of 1933:

Sold in:	Government	Municipal	Corporation	Railway	Total
Canada	\$49,763,000	\$17,032,417	\$2,035,000	nil	\$68,830,417
U.S.A.	60,000,000	nil	nil	nil	60,000,000
TOTALS.....	\$109,763,000	\$17,032,417	\$2,035,000	nil	\$128,830,417

The largest Provincial issue during the first half of 1933 was one of \$25,000,000 by Ontario in June. This took the form of \$10,000,000 of 4 per cent. serial bonds, maturing between June 1, 1934, and June 1, 1938, selling at prices between 92.22 and 99.76 with yields ranging from 4.40 per cent. to 4.25 per cent. The balance of \$15,000,000 was in the form of a 17-year $4\frac{1}{2}$ per cent. bond due in 1950 which sold at 99 to provide a yield of 4.58 per cent. In January Quebec offered \$9,000,000 of $4\frac{1}{2}$ per cent. 30-year bonds at 98.50 to provide a yield (through a syndicate offering) of 4.60 per cent. The same month there was an issue of the Hydro-Electric Power Commission of Ontario (guaranteed by the Province) of \$6,000,000 of $4\frac{1}{2}$ per cent. 5-year bonds, which sold to a syndicate for 100.09 at a cost basis to the Commission of 4.49 per cent. Again, in January, British Columbia financed \$4,000,000 of $5\frac{1}{2}$ per cent. 12-year bonds which were taken by the public at 95.50 to provide a yield of over 6 per cent. In April, Nova Scotia sold \$2,800,000 of $4\frac{1}{2}$ per cent. bonds with a 10-year maturity that were taken by the public at 97 $\frac{1}{2}$ to yield 4.82 per cent. In May, Prince Edward Island issued \$250,000 $4\frac{1}{2}$ per cent. 10-year bonds receiving 96.18, a cost basis of 4.99 per cent. In June, New Brunswick sold \$2,474,000 of 5 per cent. bonds of 30 years maturity which were offered at par to yield 5 per cent. Among the larger Municipal issues in the first half of 1933 were the following: City of Montreal, \$7,000,000 5 per cent. 15 years, at 97.75 to yield 5.25 per cent. (as against 6 per cent. early in 1932); City of Hamilton, \$3,465,038 of 5 per cent. bonds of various maturities offered at prices to yield from 5 per cent. to $5\frac{1}{4}$ per cent.; City of Ottawa, approximately \$1,467,000 of $4\frac{1}{2}$ per cent. bonds in a number of groups from 10 to 30 instalments on a cost basis of 4.69 per cent.; Sherbrooke,

\$200,000 maturing 1934-1938, and \$235,000 maturing 1934-1963, each 5 per cent., at a cost basis of 5.38 per cent.; St. Mary's Memorial Hospital, Montreal, \$350,000 5 per cent. 20-instalments, receiving 97.57, a cost basis of 5.25 per cent.; London, \$380,000 4 per cent. bonds, 12-year, cost basis of 4.74 per cent.; North Bay, \$247,502, 6 per cent., 20-instalments; City of Moncton, \$204,600 5 per cent. 20-years at 98.41, a cost basis of 5.125 per cent. Among the few Corporation issues of the half year were the following: Maritime Telegraph & Telephone Company, \$500,000 of 5 per cent. 23 years at 94 to yield 5.45 per cent., and Ottawa Light, Heat & Power Company, \$625,000 5 per cent. bonds due in 1957, at 95 to yield about $5\frac{3}{8}$ per cent.

Investment Bankers' Association of Canada. At the Annual Meeting held at Lucerne-in-Quebec, June 22-24, 1933, the retiring President, Lieut.-Col. J. G. Weir, Toronto, in his address, stated that "the past year has seen a decided tendency on the part of our various Governments and those of neighbouring countries to protect the investor by legislation." After recommending to the incoming Executive "the consideration of the adoption of standards for the guidance of both the investment house and the public in judging the merits of new issues of Corporation securities", Colonel Weir questioned the ability of the investment house to properly serve its normal purpose "when in the dual capacity of proprietor of the enterprise and vendor of the senior securities". In urging consideration of the formation of a "bond exchange", which he claimed would have many advantages both to the public and the investment houses, the speaker declared that "our large organizations are to a great extent the result of a mushroom growth". The existing system, he maintained, was harmful to the investor "in that it puts a premium on the sale of the least desirable securities to the public because the profit from the sale of the best grade securities is insufficient." Also it lent itself to "price-cutting, rebates and unethical practices which are undesirable and unfair, both to the investor and to the dealer" and to the criticism of "self-interest on the part of the dealer or banker" because he generally owns the securities he recommends, whereas, under the proposed new system, he would be acting mainly in the capacity of an agent; also "official quotations and volume of sales would place the investor in a better position to judge the desirability of the security, especially from the viewpoint of price range and marketability". Colonel Weir put forth the suggestion that a central loan or commission body, similar to that in England, with the power to regulate public issues, should be formed to combat the serious problem arising from the keen competition for new issues to feed "these over-developed selling organizations", and the demand from the public for Government and Municipal and industrial bonds and other forms of securities. W. C. Pitfield, Montreal, was elected President for the ensuing year.

Canadian Stock Markets in 1932-33

A prediction made by the writer of this section in *The Canadian Annual Review, 1932* that the "low" level for Canadian stocks reached in the final week of May, 1932—namely, 38.6 in relation to a "base" Index of 100 for the year 1926—would prove the extreme "low" of the "bear" market, turned out to be correct: from that date market levels moved up to an average of 43.2 for June, to 63.0 in September, and down to 51.3 in December, 1932. In 1933 the Index moved still lower to 47.3 in March, then up to 51.9 in April, to 63.7 in May, to 74.7 in June, and to 83.3 in July (a decline setting in at this date, this was to remain the "high" for the complete year of 1933). The full scope of the market "crash" of 1929 and thereafter may be illustrated by the record of a drop in the average of 127 stocks from an Index of 235.4 at the peak in September, 1929, to the "low" referred to above of 38.6 late in May, 1932—a decline of 83.6 per cent. which left stocks worth only 16.4 per cent. on the average of the 1929 levels. From this extreme "low" (May, 1932) to the average of 74.7 in June, 1933, 13 months later, there was registered a gain

of nearly 100 per cent. The June (1933) Index represented values of 31.7 per cent. of the peak reached in the "bull" market movement. The Index of 83.3 in July, 1933, was equivalent to 35.4 per cent. of the 1929 peak, or even then only a little more than $\frac{1}{3}$, the loss of values in securities still standing at 64.6 per cent. The records referred to are those of "Investors' Index Numbers," compiled by the Dominion Bureau of Statistics and covering 127 listed Canadian stocks. It will be seen that the 1929 peak of prices for Canadian listed stocks showed an advance from the 1926 averages of 135.4 per cent. and that the 1932 "low" was only 16.4 per cent. of the 1929 "high" and 38.6 per cent. of the 1926 average.

The extremes of "highs" and "lows" between 1929 and 1932 varied greatly according to groups, as did the influence of the business depression upon the volume of sales and of profits of the various companies. The iron and steel group, for instance, had risen to a peak of 383.8 in 1929 (up 283.8 per cent. from 1926), and crashed to a low monthly average of 40.5 in June, 1932—little better than 10 per cent. One year later, by June, 1933, the level of 83.0 per cent. was further increased to 98.1 in the active market of July, 1933. Much more serious even than this sharp decline was that of the paper group, the "high" of 116 falling to 2.5 by the end of 1932, with a further decline to the extreme "low" of 2.3 in March, 1933—representing a value of \$2.30 for each \$100 of value held by the securities in 1926. Milling stocks, down from the 1929 peak of 267.4 to 37.8 in March, 1933; textiles and clothing, from 110.1 in 1929 to a low of 28.3 in June, 1932; beverages, from 201.4 to 26.3 (May, 1933) but sharply up to 106.4 (a gain of 200 per cent.) in June, 1933, and up a further 50 per cent. in a single month to 164.3 in July, 1933, through the sensational market that developed in the distillery stocks; power and traction, from 192.7 to 42.7 (June, 1932); the utilities, from 258.0 to 34.9, and the banks, to a "low" of 34.9 in June, 1932, advancing to 58.5 by July, 1933. The oils, relatively, were strongest of all, the Index at the "low" in 1932 (June) being 84.8 and gaining to 141.6 in June, 1933, and to 156.6 in July. The table following indicates the various fluctuations of stocks as registered in Index numbers, with the "highs" for 1933 being reached in July in all but one group.

Monthly Average	Total	Indus.	Pub. Util.	Steel	Paper	Milling	Power	Bever.
Average 1926.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
High 1929.....	235.4	191.5	258.0	383.8	118.2	267.4	192.7	201.4
Low 1929.....	155.8	117.4	138.1	196.1	73.1	191.9	131.1	89.1
High 1930.....	178.6	136.4	185.3	231.3	73.4	192.5	163.3	95.7
Low 1930.....	100.6	72.4	72.7	134.5	22.3	97.9	108.4	59.9
High 1931.....	115.1	86.7	95.7	146.3	24.6	107.9	128.4	77.6
Low 1931.....	58.8	51.0	33.6	71.5	9.0	47.8	74.6	40.6
High 1932.....	64.8	73.8	59.8	79.2	10.5	66.5	76.8	44.1
Low 1932.....	43.2	48.8	34.9	40.5	8.4	38.3	42.7	26.3
June, 1933(a).....	74.7	105.1	48.3	83.0	6.4	70.3	63.0	106.4

(a) Average for the month.

Market Levels of Bank Stocks. At the end of June, 1933, there was an upward movement of bank stocks, in spite of reduced dividends and earnings—in anticipation of an improvement in the near future. Levels on June 30, 1933, were close to the "highs" of the half year. The following table shows the sharp decline from 1929 peaks:

Bank	1929		1930		1931		1932		6 mos., 1933	
	High	Low	High	Low	High	Low	High	Low	High	Low
Commerce	360	240	275	222	231	196	191	123	169	120
Dominion	280	223	243	216	224	204	194	125	161	124
Imperial	277	227	245	216	225	201	183	130	170	123
Montreal	425	290	322	280	302	235	223	150	207	151
Nova Scotia	406	363	350	314	325	284	275	238	270	228
Royal	365	285	315	272	291	231	171	120	165	123
Toronto	282	240	262	215	238	213	193	125	195	152

Montreal Stock Exchange. The decline in the number of transactions on the Montreal Stock Exchange during 1932 followed the trend of the previous two years almost in a form of arithmetical progression. The

1930 total had been barely one half that of 1929, the peak year to date. In 1931 there was a decline to less than one half of the 1930 total, and in 1932 the total again was almost cut in two—the four years showing transactions of 23,203,463, 11,047,472, 5,264,818 and 2,909,191 shares, respectively. There were months in 1932 when trading was less than 25 per cent. of the corresponding months of 1931, particularly in the earlier part. With the strengthening in market levels in July, August and September, the volume of trading ran well ahead of the corresponding months of 1931, the December total also larger—as the comparative table below indicates. Trading by months for the years between 1926 and 1932, inclusive, was as follows:

	1932 Shares	1931 Shares	1930 Shares	1929 Shares	1928 Shares	1927 Shares	1926 Shares
January	127,861	377,241	988,789	4,173,257	1,517,595	510,380	512,022
February	137,867	706,607	830,534	2,037,891	1,274,280	531,336	810,908
March	180,881	605,696	1,133,969	2,157,613	1,393,589	622,040	581,524
April	187,643	477,053	1,601,864	1,117,477	1,603,615	700,130	323,094
May	205,939	851,426	1,088,587	1,287,879	1,727,793	868,605	335,398
June	178,644	528,093	1,389,470	766,813	1,214,858	944,729	285,975
July	248,569	245,845	308,399	928,841	700,127	419,177	270,542
August	547,103	169,400	558,387	2,103,138	924,940	627,009	976,070
September	510,298	437,503	817,409	1,854,675	900,422	1,172,169	786,615
October	203,529	308,888	1,350,604	3,609,402	2,308,349	1,179,565	735,135
November	195,357	431,758	446,867	2,077,720	3,217,754	1,073,798	484,400
December	149,500	125,308	532,593	1,088,757	2,206,717	1,343,689	649,887
	2,873,191	5,264,818	11,047,472	23,203,463	18,990,039	9,992,627	6,751,570

The most active stock on the Montreal Exchange during 1932 was, as in 1931, "Brazilian Traction," with a turnover of 498,196 shares, as compared with 1,077,686 the previous year. "International Nickel" came second with 407,511 shares as against 677,139 shares which in 1931 had placed it in third position. "Canadian Pacific" was third with 397,548 shares, well in excess of the 1931 total of 244,094. Fourth in 1932 was "Montreal Power" with 299,046 shares as compared with 865,027 in 1931. "Shawinigan" was fifth with 163,866 shares. Among other actively traded stocks were "Canada Cement," 53,118; "Canadian Industrial Alcohol," 48,205; "Consolidated Mining & Smelting," 70,239; "Dominion Bridge," 56,108; "Dominion Steel & Coal (B)," 40,425; "Massey-Harris," 37,818; "McColl-Frontenac," 83,824; "National Breweries," 114,507; and "National Steel Car," 40,435. Among the bank stocks the most active was "Royal" with 6,898 shares; "Bank of Montreal," 5,050; and "Canadian Bank of Commerce," 2,366 shares.

Montreal Curb Market. Transactions showed only a slight recession in 1932 compared with 1931, sales of stocks covering 1,123,854 shares as against 1,561,683 and sales of mining stocks, 4,320,812 shares as compared with 5,357,380, a total of 5,444,666 shares. Month by month the record was as follows: January, 192,600; February, 404,195; March, 550,544; April, 333,697; May, 195,823; June, 199,662; July, 353,883; August, 791,251; September, 807,198; October, 326,793; November, 354,022; December, 924,899. The "gold" stocks dominated trading on the Montreal Curb. "Siscoe" led with 1,319,173 shares. Among other groups "Imperial" led the oils with 240,046 shares; "International Petroleum," 51,278, and "British American Oil," 52,319. In the miscellaneous list "Beauharnois (A)" led with 328,416 shares.

Toronto Stock Exchange. Volume of trading on the Toronto Stock Exchange continued to decline in 1932, and the combined total of 3,240,478 shares for the year was only about 70 per cent. of the total of 2,973,358 "Listed" and 2,601,847 "Curb"—namely 5,575,205—shown for 1931. The greatest activity occurred in August, 1932, with 575,984 transactions. The leader in activity in 1932 was "International Nickel," 585,668 shares; "C.P.R.," 336,664; "Brazilian," 254,813; "Imperial Oil," 229,526; "Hiram Walker's" preferred, 198,403 and "B.A. Oil," 192,305. In the first half of 1933, "International Nickel" was again the leader, its total of 900,165 shares being nearly 70 per cent. more than for the entire year 1932—150,000 a month,

as against less than 50,000 in 1932. "Walker's Common" was second, with 605,113; "Brazilian" third, with 526,819, and "Brewers and Distillers" fourth, at 383,651 shares. The following is a record for 1929, 1930, 1931 and 1932:

	1932	1931		1930		1929	
	(a)	Listed	Curb	Listed	Curb	Listed	Curb
January	180,716	258,543	179,921	497,793	199,343	2,032,363	857,617
February	210,848	327,362	219,474	408,986	243,348	922,548	479,498
March	259,412	308,546	379,504	569,934	189,947	1,375,995	573,986
April	270,336	248,866	306,023	645,057	207,548	716,100	524,994
May	204,876	297,784	283,597	466,599	216,792	895,534	317,646
June	212,626	289,707	174,911	859,970	286,194	407,497	430,215
July	232,976	154,041	84,584	212,440	83,266	371,751	319,368
August	575,984	90,610	194,595	1,670,572	105,601	294,711	565,030
September	487,810	238,552	175,399	589,881	194,060	720,843	475,286
October	223,774	255,456	202,726	504,042	263,376	1,303,586	761,741
November	212,519	327,339	240,439	169,824	119,266	910,995	408,884
December	168,601	176,552	160,674	229,511	252,027	186,813	203,511
TOTALS...	3,240,478	2,973,358	2,601,847	6,824,609	2,360,768	10,138,736	5,917,776
(a) combined figures.							

(a) combined figures.

Standard Stock and Mining Exchange. The volume of sales in 1932 on the Standard Stock and Mining Exchange was the smallest since 1924, the total of 79,731,118 shares comparing with 121,252,065 in 1931 and with a peak of over 333,000,000 shares in 1928. Values of shares were \$54,745,000 in 1932 as against \$85,730,000 in 1931, and a peak of \$710,000,000 in 1929. The falling off in the volume of transactions in 1932 is probably as much attributable to a slowing-up of the intense liquidation of the two previous years, as to a general hesitation to buy new shares in the prevailing uncertainty as to business conditions. The following is a comparison of sales and values for the six years 1926—1932 inclusive:

	Sales	Value		Sales	Value
1932.....	79,731,118	\$ 54,745,103	1928.....	333,538,932	\$614,808,561
1931.....	121,252,065	85,730,713	1927.....	320,777,990	250,897,081
1930.....	89,853,672	139,870,964	1926.....	129,753,966	125,175,876
1929.....	289,909,554	710,308,184			

The daily average of shares traded in during 1932 was 266,648, as compared with 404,174 in 1931, 303,560 in 1930, and with 960,442 in 1929. On the whole, stocks declined, the number advancing being chiefly the gold group, while base metal stocks and the oil group declined—with 62 advances more than offset by 95 declines. Prosperous conditions in the gold mining industry attracted buying. The most active stock in the Standard Exchange was "Siscoe" (Gold Mines), with sales of 2,535,648 shares, the price advancing 78 cents to a close of \$1.31 a share. "Eldorado" was second, with 1,205,476 shares—up 29 cents to \$1.37. "Teck-Hughes" was third with 1,115,719 shares, but declining 80 cents to \$4.05. Among other active stocks were "Wright-Hargreaves," 886,245 shares, up 91 cents to \$3.75; "Sylvanite," 868,435; "Noranda," 680,240 shares, up \$4.74 to \$20.25; "International Nickel," 483,272; "Dome," 297,145 shares, up \$4.50 to \$13.95; "Hollinger," 295,640 shares, up \$1.00 to \$6.25; "B.C. Pioneer," 242,034 shares, up 95 cents to \$4.40; "McIntyre," 202,176 shares, up \$6.25 to \$23.25, and "Lake Shore," 176,069 shares, up \$5.50 to \$33.50.

Stock Exchanges during First Half of 1933. In the first three months of 1933 trading on the stock exchanges was inclined to be inactive except in the case of mining stocks on the Standard Stock and Mining Exchange. In May and June, however, there was a burst of activity, accompanied by rising prices, that reached its culmination in record volume of trading in July and the highest levels of prices of the year. Total transactions on the Montreal Stock Exchange in the first six months of 1933 consisted of 3,811,166 shares, or nearly four times the total for the same period in 1932 of 1,002,880 shares. The Montreal Curb Market was almost eight

times as great as in 1932; Toronto Stock Exchange, nearly four times, and the Standard Stock and Mining Exchange, 129,000,000 shares as compared with 29,000,000 for the first half of 1932. The monthly totals for 1933 on the four exchanges, with the corresponding half-yearly totals for 1932, follow:

1933	Montreal Stock Exchange	Montreal Curb Market	Toronto Stock Exchange	Standard Exchange
January	201,783	3,947,668	136,756	18,777,251
February	281,913	3,174,453	272,596	20,157,268
March	211,218	1,390,760	238,797	11,021,740
April	487,897	1,482,088	575,267	11,194,513
May	1,111,571	2,257,233	1,519,087	27,340,309
June	1,565,359	2,640,587	2,400,207	41,402,833
6 Months, 1933	3,859,741	14,892,789	5,142,710	129,893,914
6 Months, 1932	1,002,880	1,829,419	1,336,814	29,574,000

The tables that follow cover most of the chief items of the statements issued monthly by the Department of Finance at Ottawa made from returns by the chartered banks of Canada. One of the outstanding indications of business conditions in the country is that of commercial loans. These showed a decline of over \$64,000,000 for the six months ending June 30, 1933 (from \$964,023,809 to \$899,782,928). In the calendar year of 1932 there was a decline of over \$118,000,000 and between Dec. 31, 1929, and June 30, 1933, a reduction of over \$403,000,000, or nearly 30 per cent.—from \$1,402,787,330 to the June 30 figure of under \$900,000,000. The peak of commercial loans in Canada had been reached in October, 1929, at \$1,473,000,000. The total at the end of June, 1933, was about \$3,000,000 above the total on May 31, 1933, which was the lowest level since August, 1925. (A further low, and presumably the smallest total for the business depression period, was that of \$884,771,869 for August, 1933; thereafter improved business brought increases). Call loans in Canada (with bonds and stocks as collateral) showed a fairly steady decline during the years of reduced activity in connection with the issue of securities in Canada and stock market operations—from the peak for all time of \$280,800,000 established in September, 1929. During the latter part of 1927 call loans in Canada had touched the \$200,000,000 mark for the first time and had continued to rise until September, 1929, when a slow decline commenced. By January, 1931, the total had fallen below \$200,000,000 and, by January, 1933, (for the first time) below \$100,000,000. The low level in the decline was reached in May, 1933, at \$93,700,000. These outside call loans for a number of years had exceeded \$200,000,000, rising in June, 1929, to over \$333,000,000 but falling—with the lessened demand and the sharp decline in rates—to under \$100,000,000 in 1931, and to as low as \$65,000,000 in May, 1932. As at June 30, 1933, the total was just under \$100,000,000. Savings deposits showed relatively less change than any other item in the list. During the six months to June 30, 1933, there was an increase of over \$9,000,000 to \$1,386,930,428—a total that was nearly \$27,000,000 above that at Dec. 31, 1931; less than

Banking in Relation to Business Conditions

\$40,000,000 under the total at Dec. 31, 1930, and only \$47,500,000 less than the total on Dec. 31, 1929. Indeed, it was only for a few months in 1928 and the early part of 1929 that savings deposits in Canada ever exceeded \$1,500,000,000. The stability of this item may be looked upon as evidence of continued confidence in the soundness of the Canadian chartered banks and of thrift amongst the depositors. A new element entered into the situation to some extent with the placing of substantial deposits in Canadian banks, particularly at border points, by citizens of the United States after the banking trouble in that country had reached a climax in March, 1933.

Records of Chartered Banks of Canada

Table I

	June 30, 1933	Dec. 31, 1932	Dec. 31, 1931	Dec. 31, 1930	Dec. 31, 1929
Notes in circulation....	\$137,742,040	\$127,074,824	\$141,013,382	\$148,017,056	\$175,496,699
Adv. under Fin. Act...	59,944,000	56,998,000	46,500,000	20,500,000	81,700,000
Savings deposits	1,386,930,428	1,377,520,115	1,360,042,129	1,425,845,166	1,434,405,212
Demand deposits	535,048,009	466,212,767	566,584,565	641,694,317	729,314,708
Deposits outside Canada	324,920,903	328,725,094	310,086,314	372,275,709	441,622,135
Gold and coin.....	50,948,517	53,263,094	65,816,786	84,038,609	73,293,753
Dominion notes	138,058,520	153,181,279	128,860,547	126,888,728	130,869,253
Govt. securities	638,665,556	562,359,413	477,912,303	408,589,260	296,983,350
Municipal, etc.	165,915,260	166,958,673	154,109,577	128,070,741	94,049,641
Railway, etc.	55,573,524	48,933,929	62,010,798	67,448,882	57,376,745
Call loans in Canada...	101,518,053	103,294,289	134,730,957	204,781,345	262,289,071
Call loans outside.....	99,894,097	91,491,603	83,124,317	145,904,776	245,172,108
Commercial loans	899,782,928	964,023,809	1,082,097,360	1,149,175,118	1,402,787,330
Comm. loans outside...	152,772,212	151,661,262	188,357,012	213,965,402	250,638,265
Loans to Prov. Govt...	21,660,790	28,273,553	45,557,589	29,680,467	24,975,672
Loans to Municipalities..	135,218,519	111,569,810	125,689,588	96,182,688	96,705,116
Non-current loans	14,259,354	13,311,964	10,327,706	7,428,476	7,251,629
Bank premises	78,826,979	78,702,197	79,785,470	78,559,505	75,168,231
Letters of credit.....	45,537,597	42,634,870	55,473,413	78,359,018	112,591,425
Central gold reserve....	21,181,732	19,881,732	25,731,732	32,580,866	56,080,866
Total assets	2,889,465,918	2,852,086,913	2,997,672,792	3,143,756,013	3,521,089,471
Capital paid-up	144,500,000	144,500,000	144,500,000	145,024,560	142,901,350
Rest or reserve fund..	162,000,000	162,000,000	162,000,000	162,825,000	158,127,600

Table II

Bank	Capital Paid-Up	Notes in Circulation		Savings Deposits	
		June 30, 1933	June 30, 1932	June 30, 1933	June 30, 1932
Montreal	\$ 36,000,000	\$ 35,380,208	\$ 34,811,015	\$ 389,893,020	\$ 392,258,003
Nova Scotia	12,000,000	11,574,088	11,949,546	134,131,273	128,738,511
Toronto	6,000,000	6,296,424	6,267,489	66,035,598	59,816,882
Provincial	4,000,000	3,585,885	3,588,514	31,300,961	32,152,917
Commerce	30,000,000	25,342,919	24,580,399	286,625,864	283,933,823
Royal	35,000,000	31,498,307	31,298,358	262,894,258	262,133,244
Dominion	7,000,000	6,521,185	6,348,055	61,599,156	63,010,839
Can. Nationale ...	7,000,000	8,867,314	8,873,614	78,871,543	81,734,991
Imperial	7,000,000	8,388,380	8,315,720	74,066,915	68,786,667
Barclays (Canada)..	500,000	287,330	263,205	1,511,840	699,464
TOTALS....	\$144,500,000	\$137,742,040	\$136,295,915	\$1,386,930,428	\$1,373,265,341

Bank	Rest or Reserve Fund	Commercial Deposits		Investments	
		June 30, 1933	June 30, 1932	June 30, 1933	June 30, 1932
Montreal	\$ 38,000,000	\$150,807,684	\$133,072,527	\$286,224,936	\$227,195,797
Nova Scotia	24,000,000	37,955,894	32,252,443	82,722,828	60,364,505
Toronto	9,000,000	23,419,379	22,389,887	46,211,947	33,928,524
Provincial	1,500,000	4,038,675	4,300,310	17,934,924	16,112,462
Commerce	30,000,000	116,078,597	103,981,165	168,149,845	133,244,774
Royal	35,000,000	130,568,120	122,660,818	135,532,567	101,559,582
Dominion	9,000,000	29,254,121	26,960,474	39,329,369	27,962,103
Can. Nationale	7,000,000	16,646,298	17,595,357	47,166,646	40,142,482
Imperial	8,000,000	25,037,817	24,778,855	35,959,646	28,180,438
Barclays (Canada)...	500,000	1,241,424	945,744	921,632	640,913
TOTALS.....	\$162,000,000	\$535,048,009	\$488,937,580	\$860,154,340	\$669,331,580

Bank	Commercial Loans		Call Loans in Canada		Total Assets
	June 30, 1933	June 30, 1932	June 30, 1933	June 30, 1932	June 30, 1933
Montreal	\$193,774,981	\$ 240,710,429	\$ 5,148,861	\$ 4,011,208	\$ 761,375,702
Nova Scotia	90,197,680	96,987,521	13,736,847	10,529,752	273,368,244
Toronto	38,953,146	46,288,965	4,490,991	4,162,094	118,430,178
Provincial	13,939,892	17,940,431	4,813,576	5,032,510	45,863,404
Commerce	178,318,698	188,504,688	27,631,289	29,717,643	570,943,398
Royal	230,434,196	265,505,119	27,368,736	32,269,401	719,471,977
Dominion	50,524,993	58,171,147	6,840,553	9,895,928	124,530,334
Can. Nationale	49,053,433	61,507,910	5,644,606	7,012,259	135,453,649
Imperial	53,345,487	59,486,040	5,703,674	7,217,845	132,132,986
Barclays (Canada).	1,240,422	2,211,667	138,920	19,675	7,896,046
TOTALS.....	\$899,782,928	\$1,037,313,917	\$101,518,053	\$109,868,315	\$2,889,465,918

Increased Holdings of Securities. Just as very sharp declines in commercial loans proved one outstanding factor in the position of the chartered banks between 1929 and 1933, so the necessity for re-investing surplus funds released from commercial channels forced the banks to increase largely and steadily their holdings of high-grade securities, chiefly of Dominion and Provincial Government bonds. In the first half of 1933 there was an increase of over \$76,000,000; in the 18 months to June 30, 1933, almost \$161,000,000; in the 2½ year-period (from Dec. 31, 1930), \$230,000,000; and between Dec. 31, 1929, and June 30, 1933, close to \$342,000,000, the total holdings of Government securities being more than doubled, from \$296,000,000 to \$638,000,000. An additional \$72,000,000 (approximately) went into holdings of Municipal and similar securities (the total, up from \$94,000,000 to just under \$166,000,000), the two sources of investments showing a combined increase of some \$414,000,000, or some 80 per cent. of the decline in commercial loans between 1929 and 1933. Total holdings of securities as at June 30, 1933, were \$860,154,340, as compared with \$778,252,015 at Dec. 31, 1932; \$694,032,678 at Dec. 31, 1931; \$604,108,883 at Dec. 31, 1930, and \$448,409,736 at Dec. 31, 1929. Looking toward the future it may be presumed that as the commerce of the country makes increasing calls for credit, holdings of securities will tend again to decline.

Loans to Provinces and Municipalities. From the latter part of 1931 bank loans to the Provincial Governments and Municipalities tended to rise or fall with the difficulty or facility with which financing operations were being carried on by these groups. At times when the sale of Provincial Government or Municipal debentures had to be postponed for the arrival of more favourable conditions, loans from the banks tended to increase, declining as the proceeds of bond financing were applied to the meeting of loan obligations. Early in 1932 bank loans to Provincial Governments rose to over \$56,000,000 but dropped to under \$20,000,000 in August of that year and fluctuated in the first half of 1933 from \$32,000,000 in April, and May to \$21,660,790 at the end of June. Loans to municipalities, which in 1929 averaged well under \$100,000,000, rose to a peak of \$154,000,000 in April, 1932, declining somewhat in the first half of 1933 with a range from \$114,000,000 in January to almost \$143,000,000 in May, with a slight decline in June to \$135,218,519.

Reductions in Bank Dividends. The year 1932 and the first half of 1933 saw a further scaling down in the rates of dividends of the chartered banks of Canada, in order that these might conform with the decline in earning power. The only exception in this period was the Banque Canadienne Nationale whose rate of 10 per cent. continued unchanged. The Bank of Montreal, which had omitted its usual bonus of 2 per cent. in 1931, reduced its dividend from 12 to 10 per cent. during 1932, and in the first half of 1933 made a further reduction in the rate from 10 to 8 per cent., the latter comparing with a total of 14 per cent., including the bonus, prior to 1931. The Bank of Nova Scotia, which had retained its old rate of 16 per cent. throughout 1931, reduced this to 14 in 1932 and, further, to 12 in 1933. The Bank of Toronto had omitted its bonus of 1 per cent. in 1931 and in 1932 reduced its dividend rate from 12 to 10 per cent. No further reduction,

however, was made in the 1933 period. The Dominion Bank and the Imperial Bank took similar steps to that of the Bank of Toronto in the three years mentioned, and at June 30, 1933, the current rate in each case was 10 per cent. *per annum* as compared with a rate of 13 per cent., including the bonus, that prevailed prior to 1931. The Provincial Bank made no change in 1931 but reduced its rate from 9 to 8 per cent. in December, 1932; made another reduction for the next quarter from 8 to 7 per cent. in February, 1933, and in the following quarter again made a reduction from 7 to 6 per cent. (May, 1933). The Canadian Bank of Commerce had omitted its bonus of 1 per cent. in 1931 and reduced the rate from 12 to 10 per cent. in 1932, and in April, 1933, cut the rate to 8. The Royal Bank followed a course similar to that of the Bank of Montreal, its dividend rate as of June 30, 1933, being 8 per cent. as compared with a total dividend of 14 per cent., including bonus, prior to 1931. The following table covers the prevailing dividend rates during the four years 1930, 1931, 1932 and 1933:

Name of Bank	1930	1931	1932	1933 (June 30)
Montreal	12%+2%	12%	10%	8%
Nova Scotia	16%	16%	14%	12%
Toronto	12%+1%	12%	10%	10%
Provincial	9%	9%	8%	6%
Commerce	12%+1%	12%	10%	8%
Royal	12%+2%	12%	10%	8%
Dominion	12%+1%	12%	10%	10%
Canadienne Nationale	10%	10%	10%	10%
Imperial	12%+1%	12%	10%	10%

Decrease in Banking Profits.

Operations of the chartered banks in Canada for the year 1932 showed a decline in every instance in profits as compared with the year 1931, which itself had fallen well below the figures for 1930 and 1929. The total profits for the nine banks (no public statement is available for Barclays Bank, Canada) amounted to \$20,964,202, a decrease of over \$2,500,000, or 11 per cent. from the total of \$23,478,875 for 1931. The decline in 1931, however, had been 12.1 per cent. (from 1930). The 1932 total was down nearly \$5,800,000 from 1930 and fell below the 1929 total of \$28,215,303 by \$7,200,000, or 25.5 per cent. The relation of profits to earnings available for dividends throws a light upon the necessity previously referred to of reductions in bank dividend rates. For instance, the Bank of Montreal showed profits for 1932 of \$4,663,101 as compared with \$5,386,379 in 1931; \$6,519,032 for 1930 and \$7,070,892 for 1929, the decline between 1929 and 1932 being upwards of \$2,600,000, or close to 40 per cent. The Bank of Nova Scotia showed profits for 1932 of \$2,303,435 as compared with \$2,761,117 in 1929; the Canadian Bank of Commerce, \$4,279,424 as compared with \$5,066,229 in 1929, and the Royal Bank of Canada, \$4,861,849 in 1932 as compared with \$7,145,137 in 1929. The Bank of Montreal showed \$11.68 earned on the capital stock in 1932 as compared with \$13.25 in 1931, \$16.83 in 1930 and 19.93 in 1929—a decline of over \$8 a share between 1929 and 1932. The Bank of Nova Scotia showed \$18.20 earned in 1932 as against \$20.50 in 1931 and \$26.61 in 1929—a decline of \$8.41 in the three years. The Canadian Bank of Commerce had \$12.43 available for its stock in 1932 as against \$16.39 in 1929 and the Royal Bank of Canada showed earnings of \$12.18 a share in 1932 as compared with \$19.99 in 1929. The table below covers the complete list of the nine banks whose figures were made public:

Bank	Profits	Profits	Profits	Earned Capital Stock		
	1932	1931	1930	1932	1931	1930
Montreal (a)	\$ 4,663,101	\$ 5,386,379	\$ 6,519,032	\$11.68	\$13.25	\$16.83
Nova Scotia (b).....	2,303,435	2,579,802	2,535,643	18.20	20.50	21.09
Toronto (c)	1,044,393	1,168,915	1,339,872	14.74	16.81	19.66
Provincial (c)	454,659	467,439	511,457	9.83	10.09	11.05
Commerce (c)	4,279,424	4,774,923	5,378,423	12.43	13.91	15.84
Royal (c)	4,861,849	5,448,327	6,572,627	12.18	13.85	17.24
Dominion (b)	1,179,931	1,322,287	1,409,747	13.79	15.87	17.57
Can. Nationale (c) ..	972,075	1,001,940	1,024,702	12.28	12.74	13.00
Imperial (a)	1,205,335	1,328,863	1,424,081	14.79	16.55	18.20

TOTALS..... \$20,964,202 \$23,478,875 \$26,715,584

(a) Year ended Oct. 31. (b) Year ended Dec. 31. (c) Year ended Nov. 30.

Reductions in Bank Branches. During the twelve months ended June 30, 1933, the banks continued the process, carried on since the latter part of 1930, of shutting down unprofitable branches; this development, like that of reduced dividends, was the enforced result of declining profits and business volume. With increases earlier in 1930 the total at the end of the year had reached a peak of 4,238 branches (including those outside as well as inside Canada). In 1931 there was a net reduction of 117 branches; and by June 30, 1932, the total had declined further by 126 branches. Curiously enough there was exactly the same reduction during the twelve months ended June 30, 1933, to 3,869 branches. Reductions in the twelve months to that date included 32 by the Bank of Montreal, 6 by Nova Scotia, 4 by Toronto, 5 by Provincial, 33 by Canadian Bank of Commerce, 11 by Royal, 2 by Dominion, 19 by Canadienne Nationale (including sub-branches) and 14 by the Imperial Bank of Canada.

Bank Branches

Bank	Dec. 31 1928	Dec. 31 1929	Dec. 31 1930	Dec. 31 1931	June 30 1932	June 30 1933
Montreal	641	671	677	640	615	(c)583
Nova Scotia	323	328	(a)355	(a)348	(a)342	(d)336
Toronto	192	199	203	191	183	179
Provincial	(a)331	(a)334	(a)334	(a)331	(a)323	(e)318
Commerce	809	800	791	771	750	717
Royal	885	914	901	881	848	(f)837
Dominion	132	140	144	139	137	135
Can. Nationale	(a)566	(a)585	(a)593	(a)592	(a)575	(g)556
Imperial	194	203	209	(b)226	(b)220	206
Weyburn Security Bank	30	30	30	(x)	(x)	(x)
Barclays Bank (Canada)	....	1	1	2	2	2
TOTALS.....	4,103	4,205	4,238	4,121	3,995	3,869

(a) Including sub-branches; (b) including Weyburn Security Bank then absorbed; (c) including 22 sub-agencies; (d) including 16 sub-branches; (e) including 181 sub-branches; (f) including 20 sub-branches; (g) including 310 agencies; (x) absorbed by Imperial Bank of Canada.

Bank Debits to Individual Accounts. The shrinkage in industrial and financial business in Canada, in so far as volume of business is indicated in records of "Bank Debits to Individual Accounts", was even more marked in 1932 than in the previous year. These records represent the amount of cheques charged against bank accounts at the clearing house centres in Canada. The grand total for 1931 had represented 84.3 per cent. of that of 1930 but the total for 1932 was only 81.8 per cent. of that of 1931. The grand total for Canada had shrunk in 1931 from \$37,491,301,766 to \$31,586,463,262; in 1932 there was a further shrinkage to \$25,844,288,293, a slight decrease in the actual decline but with a greater percentage reduction. A falling off in business activities, in general trading on the stock exchanges, and in transactions in bonds, whether of a public character or in more private trade, all accounted for the declines in totals for bank debits. In Montreal there was a reduction of 26.9 per cent. in 1932; in Quebec, 20 per cent.; in Toronto, 15.2 per cent.; in London, 13.5 per cent.; in Ottawa, 15.5 per cent.; in Halifax, 21.9 per cent.; in Winnipeg, 4.3 per cent., and in Vancouver, 16 per cent. The only increase was in Regina, one of 12.2 per cent. The average falling off in the Maritime Provinces was 20.4 per cent.; in Quebec, 26.4 per cent.; in Ontario, 15.8 per cent.; in the Prairie Provinces, 7.8 per cent., and in British Columbia, 16.8 per cent. Bank clearings, which are recorded separately, declined from \$16,827,602,771 in 1931 to \$12,916,265,464 in 1932, a reduction of 23.2 per cent. where in 1931 there had been a decline of only 16.3 per cent. The following table (Dominion Bureau of Statistics) covers the Clearing House Centres in Canada:

Bank Debits

Clearing House Centres	1931	1932	Decreases in 1932 compared with 1931	Per- centages of 1932 to 1931
	\$	\$	\$	%
MARITIME PROVINCES—				
Halifax	330,371,553	257,989,295	72,382,258	78.1
Moncton	87,229,007	73,548,793	13,680,214	84.3
Saint John	234,942,909	187,632,726	47,310,183	79.9
Total—Maritime Provinces ...	652,543,469	519,170,814	133,372,655	79.6
QUEBEC—				
Montreal	9,756,753,765	7,135,517,032	2,621,236,733	73.1
Quebec	701,258,405	560,686,426	140,571,979	80.0
Sherbrooke	92,060,809	69,997,106	22,063,703	76.0
Total—Quebec	10,550,072,979	7,766,200,564	2,783,872,415	73.6
ONTARIO—				
Brantford	106,212,582	85,438,727	20,773,855	80.4
Chatham	81,403,262	71,625,208	9,778,054	88.0
Fort William	66,540,124	55,335,694	11,204,430	83.2
Hamilton	649,599,942	526,940,741	122,659,201	81.1
Kingston	64,828,365	55,085,899	9,742,466	85.0
Kitchener	116,857,177	96,266,553	20,590,624	82.4
London	365,324,602	315,954,273	49,370,329	86.5
Ottawa	1,869,730,944	1,579,527,632	290,203,312	84.5
Peterborough	70,964,205	55,426,709	15,537,496	78.1
Sarnia	104,000,535	95,058,795	8,941,740	91.4
Sudbury	58,832,961	40,328,991	18,503,970	68.5
Toronto	9,512,342,450	8,066,207,006	1,446,135,444	84.8
Windsor	310,203,205	215,676,051	94,527,154	69.5
Total—Ontario	13,376,840,354	11,258,872,279	2,117,968,075	84.2
PRAIRIE PROVINCES—				
Brandon	39,802,614	33,569,832	6,232,782	84.3
Calgary	647,871,720	513,557,662	134,314,058	79.3
Edmonton	489,783,798	393,433,460	96,350,338	80.3
Lethbridge	49,736,330	37,067,143	12,669,187	74.5
Medicine Hat	26,122,436	21,077,192	5,045,244	80.7
Moose Jaw	79,343,948	61,064,586	18,279,362	77.0
Prince Albert	29,802,029	21,124,445	8,677,584	70.9
Regina	412,701,024	462,876,073	50,175,049	112.2
Saskatoon	143,056,796	114,981,799	28,074,997	80.4
Winnipeg	3,279,817,622	3,138,453,543	141,364,079	95.7
Branches of Weyburn Security Bank (a)	3,173,413	.....	3,173,413	....
Total—Prairie Provinces	5,201,211,730	4,797,205,735	404,005,995	92.2
BRITISH COLUMBIA—				
New Westminster	67,987,301	51,107,251	16,880,050	75.2
Vancouver	1,416,428,661	1,190,466,183	225,962,478	84.0
Victoria	321,383,768	261,265,467	60,118,301	81.3
Total—British Columbia	1,805,799,730	1,502,838,901	302,960,829	83.2
Grand Total for Canada	31,586,463,262	25,844,288,293	5,742,174,969	81.8
Bank Clearings	16,827,602,771	12,916,265,464	3,911,337,307	76.8

(a) Statistics for 1931 are for three months.

Bank Debits First Half of 1933. Owing mainly to the high level of debits in June, the cumulative total for the first 6 months of 1933 was greater than for the same period of the year 1932, \$13,195,000,000, as compared with \$12,537,000,000, a gain of 5.3 per cent. Gains were recorded in Ontario and the Prairie Provinces with Ontario gains mainly due to heavy transfers at Toronto in which centre an increase of \$748,000,000, or 19.6 per cent. was shown. The total for Ontario was \$5,854,000,000, up 6.8 per cent. from the total for the first half of 1932. Totals for all other Ontario centres, the Maritimes, Quebec and British Columbia, however, were lower than for the 1932 period. In the Prairie Provinces, Calgary showed a gain of \$2,806,000, or 1.1 per cent., and Winnipeg, a gain of \$505,413,000, or 37.6 per cent. All other centres showed losses.

Canadian Bankers' Association. At the Annual General Meeting of the Canadian Bankers' Association, held in Toronto on Nov. 10,

1932, an Address on "Problems Facing Canada" was delivered by the President, J. A. McLeod, General Manager of the Bank of Nova Scotia. Mr. McLeod, dealing with questions of national policy, declared that the chief existing one was "the railway problem"—serious not only in Canada but also in the United States. Another national problem was that of taxation. He stated that taxes on Federal, Provincial and Municipal account had not been reduced in anything like the proportions of private citizens' income and he quoted figures to indicate that during the previous three years taxation had increased "in the rather staggering proportion of 45 per cent." While suggesting that the occasion on which he was speaking was not one in connection with which the question of a central bank for Canada could properly be discussed in detail, he declared that the two primary responsible duties of the Canadian chartered banks were, first, to provide currency for the daily conduct of business, as and when required, and in adequate amounts; and, second, to hold in safe custody the balances entrusted to them by ten million people in Canada. "It is unnecessary to state," he said, "that both of these functions have been performed with complete smoothness and certainty throughout the depression". There had not been a single bank failure, nor had there been a moment's hesitation in providing the currency required (in the form of bank notes) by the people. From the standpoint of security, he added, "the Canadian banking system has successfully stood the strain and passed the severest test". In general, he expressed the opinion that if Canada were to create a central bank "it would inevitably rouse extravagant expectations in the minds of a great many people. Most of these expectations would inevitably be doomed to disappointment, first, because as a debtor country we have a limited freedom of action in times of stress; secondly, because as a young country we possess an essentially simple financial machinery which has been a natural growth and which, therefore, cannot easily be manipulated artificially." He had said enough, he stated, to make it clear "that the projected establishment of a central bank in Canada raises some exceedingly difficult problems and is not without elements of danger." He hoped, therefore, that until the problem had been explored fully no political leaders would so far commit themselves on this great question as possibly to discover at some time in the future that the fulfilment of their pledges would affect the financial soundness of the country. Mr. McLeod concluded thus: "During a time of unprecedented economic stress, in which all countries are suffering, the solid strength of the Canadian banking system has been an invaluable sheet anchor to the Dominion."

Officers elected for the year 1933 were: President, J. A. McLeod (re-elected); Vice-Presidents, S. H. Logan, M. W. Wilson, H. B. Henwood and Jackson Dodds; Executive Council, the President, Vice-Presidents together with C. A. Roy, C. A. Bogert, Beaudry Leman, A. E. Phipps and F. H. Dickinson; Auditor, G. T. Clarkson, c.a.; Secretary-Treasurer, Henry T. Ross; Assistant Secretary-Treasurer, Arthur W. Rogers; Editing Committee of the Journal; J. P. Bell, Chairman, and H. B. Henwood; Committee on Education, S. G. Dobson and C. H. Cronyn; Committee on Questions on Points of Practical Interest, W. G. More and F. C. Biggar.

Loan and Trust Companies. An official statement issued by the Department of Finance at Ottawa covering business of loan and trust companies in Canada for 1932 shows the following results for loan companies: total book value of assets as at Dec. 31, 1932, \$143,565,701; liabilities to the public, \$107,757,261; capital stock authorized, \$60,150,000; capital stock subscribed, \$27,247,600; capital stock paid, \$19,506,063; reserve and contingency funds, \$14,739,177; other liabilities to shareholders, \$1,276,748; total liabilities to shareholders, \$35,803,526; combined net profits realized during the year, \$1,875,583; mortgages on real estate, \$102,641,622; collateral loans, \$1,135,726; bonds and debentures, \$14,101,695; stocks, \$7,419,777; cash on hand and in banks, \$4,549,735. Among liabilities were: deposits, \$29,418,924; balance of profit and loss, \$870,500. Trust companies reported funds amounting to \$15,274,612; guaranteed funds of \$25,222,560; estates, trusts and agency funds,

\$219,067,923—a total of \$259,565,095. Authorized stock amounted to \$22,350,000; of which \$11,951,640 was subscribed and \$10,601,822 paid. Net profits for 1932 were \$538,941. Among assets in company funds were real estate of \$2,319,431; mortgages on real estate, \$6,038,929; collateral loans, \$628,586; bonds and debentures, \$3,124,244; stocks, \$438,040; cash, \$783,778; advances to estates, \$1,139,400, etc. Among guaranteed funds were mortgages on real estate amounting to \$19,336,735; collateral loans, \$1,480,454; bonds and debentures, \$3,289,450; cash on deposit, \$663,904; and interest due and accrued of \$414,646.

**Life Insurance
in Canada, 1932,
\$6,471,608,546**

Life insurance business in Canada in 1932, continuing the trend of the two previous years, showed a further decline from the peak, to date, of 1929. The general depression in business in 1932 was also responsible, for a unique experience in life insurance in Canada which, without exception, from the year 1878 to 1931, inclusive (53 years), had shown each new year, a higher total in force than the preceding year. The year 1932 was the first since 1878 to depart from this record, registering a decline in the total of life insurance in force—\$6,471,608,546—of \$150,659,247 from the 1931 peak total of \$6,622,267,793.* In other words, in 1932 the combined “lapses” and “surrenders” constituted a larger total than new business written. The net amount of new business paid for in cash in 1932 was \$653,249,366 as compared with \$782,716,064 in 1931, with \$884,749,748 in 1930 and with \$978,141,485 in 1929. Of the 1932 total, group business amounted to \$15,990,768, compared with \$38,433,384 in 1931, with \$59,169,346 in 1930, and with \$77,503,209 in 1929.

In two directions the new business for 1932 was offset: lapses accounted for \$411,222,211, or 55.19 per cent. of gross new business written, while the amount surrendered was \$364,285,951, or 48.90 per cent. of new business written—a total of \$775,508,162, or 104.09 per cent. of new business written. In 1931 lapses had amounted to \$408,714,188, or over 45.91 per cent. of new business, and the amount surrendered to \$245,985,875, or 27.63 per cent.—a combined total of \$654,700,063, or 73.54 per cent. In 1930 combined lapses and surrenders were 56.93 per cent. of new business, and in 1929 only 41.59 per cent. Death claims amounted to \$45,384,243 in 1932 as against \$43,082,004 in 1931. As compared with a net decrease in business in force at the end of 1932 of over \$150,000,000, there had been a net gain in 1931 of \$130,270,296; of \$335,023,987 in 1930, and \$549,616,584 in 1929.

The records of all insurance companies doing business in Canada compare as follows for the six years between 1927 and 1932 inclusive:

*NOTE.—These and other 1931 figures are taken from a Report published late in 1933, submitted by G. D. Finlayson, Superintendent of Insurance, to the Minister of Finance at Ottawa—figures that are somewhat revised from those of the 1931 Report published in 1932.

	New Assurance Paid For (Gross)	Assurance in Force	Matured Claims	Premium Income
1932.....	\$653,249,366	\$6,471,608,546	\$45,384,243	\$219,159,475
1931.....	782,716,064	6,622,267,793	43,082,004	228,504,912
1930.....	884,749,748	6,492,286,194	42,147,970	222,689,286
1929.....	978,141,485	6,157,262,207	39,797,697	212,898,456
1928.....	918,742,064	5,607,645,623	35,029,860	194,843,745
1927.....	838,475,057	5,044,408,834	28,150,247	174,731,364

Canadian, British and Foreign Companies. As in previous years, so in 1932, Canadian life insurance companies underwrote the largest portion of total business developed in Canada by all companies operating. Out of a total of \$653,249,366 of new business written in 1932, Canadian companies were responsible for \$399,498,023, with British companies credited with \$13,054,139 and foreign companies with \$240,697,204. At the end of 1932 out of assurance in force in Canada of \$6,471,608,546, Canadian companies held \$4,311,747,692, British companies, \$115,831,319 and foreign companies, \$2,044,029,535. Of the total, the business of Canadian companies represented 66.6 per cent., exactly the same proportion as at the end of 1931. The following tables show records from 1927 to 1932, of all three groups of life companies doing business in Canada:

	Premium Income	New Assurance Paid For (Net)	Assurance in Force
Canadian Companies, 1932.....	\$138,805,014	\$399,498,023	\$4,311,747,692
" " " 1931.....	145,990,909	491,340,864	4,409,707,938
" " " 1930.....	142,059,595	594,704,790	4,319,373,209
" " " 1929.....	137,319,487	645,207,646	4,051,612,499
" " " 1928.....	124,653,424	606,902,108	3,672,010,075
" " " 1927.....	111,644,539	544,385,411	3,277,040,348
British Companies, 1932.....	3,821,016	13,054,139	115,831,319
" " " 1931.....	3,952,106	13,735,682	119,259,988
" " " 1930.....	4,924,980	10,769,103	117,410,860
" " " 1929.....	4,000,064	11,138,775	116,545,637
" " " 1928.....	4,036,669	12,312,500	115,340,577
" " " 1927.....	3,963,695	15,414,004	113,883,716
Foreign Companies, 1932.....	73,506,927	240,697,204	2,044,029,535
" " " 1931.....	75,208,993	277,651,018	2,093,588,564
" " " 1930.....	73,539,152	279,275,855	2,055,502,125
" " " 1929.....	69,408,928	321,801,064	1,989,104,071
" " " 1928.....	64,255,078	299,527,456	1,820,979,858
" " " 1927.....	58,124,125	278,675,642	1,653,474,770

The following tables show the expansion of life insurance in Canada:

Assurance Effected in Each Year	Canadian	British	Foreign	Total
1875.....	\$ 5,077,601	\$ 1,689,833	\$ 8,306,824	\$ 15,074,258
1885.....	14,691,195	3,748,647	8,327,646	26,767,488
1895.....	27,680,372	3,337,638	13,083,888	44,101,898
1905.....	66,414,264	3,866,980	34,438,341	104,719,585
1915.....	118,283,349	5,563,143	94,358,935	218,205,427
1925.....	443,895,626	17,118,928	251,077,335	712,091,889
1930.....	594,704,790	10,769,103	279,275,855	884,749,748
1931.....	491,340,864	13,735,682	277,639,518	782,716,064
1932.....	399,498,023	13,054,139	240,697,204	653,249,366

Total Assurance in Force at End of Year	Canadian	British	Foreign	Total
1875.....	\$ 21,957,296	\$ 19,455,607	\$ 43,596,361	\$ 85,009,264
1885.....	74,591,139	25,930,272	49,440,735	149,962,146
1895.....	188,326,057	34,341,172	96,590,352	319,257,581
1905.....	397,946,902	43,809,211	188,578,127	630,334,240
1915.....	829,972,809	58,087,018	423,556,850	1,311,616,677
1925.....	2,672,989,676	108,565,248	1,377,464,924	4,159,019,848
1930.....	4,319,373,209	117,410,860	2,055,502,125	6,492,286,194
1931.....	4,409,707,938	119,259,988	2,093,588,564	6,622,556,490
1932.....	4,311,747,692	115,831,319	2,044,029,535	6,471,608,546

"Outside" Business of Canadian Companies. The volume of insurance written outside Canada by Canadian life companies dropped in 1932 back to below that of the business written in Canada by these com-

panies; it had been in excess, during the years 1930 and 1931. During 1932 the net amount of new assurance paid for outside Canada amounted to \$317,761,988 as compared with \$399,498,023 for Canada. In 1931 new business outside Canada had been \$541,751,417 as compared with \$491,340,864 written in Canada, an excess of \$50,000,000, and in 1930 outside business was \$692,340,582, or nearly \$98,000,000 greater than Canadian business amounting to \$594,704,790. As was the case with business written in Canada in 1932 outside business of Canadian companies was not great enough to offset the totals of terminations, those by natural courses, surrenders and lapses. As a result the total amount of assurance in force outside Canada decreased from \$3,149,689,190 at the end of 1931 to \$2,712,973,924 at the end of 1932. The latter total represented nearly 70 per cent. of the total amount of assurance of Canadian life companies in Canada as at Dec. 31, 1932, namely \$4,311,747,692. The two totals, "inside" and "outside", amounted to \$7,224,721,616 as compared with a total at the end of 1931 of \$7,559,397,128. Premium income of Canadian companies in 1932 derived from business outside Canada amounted to \$127,061,090, or some \$16,650,000 less than the corresponding total for 1931 of \$143,717,251. Statistics of business by Canadian companies outside Canada—which included such countries as Great Britain, a large number of the States of the United States, Bermuda, Newfoundland, West Indies, Central America, various countries in South America, India, China, Japan, Palestine, Syria, South Africa, Egypt, Southern Rhodesia and many others—showed that the premium income for 1932 was within \$11,744,000 of the premium income for business in Canada which amounted to \$138,805,014; also that there were in effect on Dec. 31, 1932, 942,747 policies issued by Canadian companies outside Canada. This total compared with 2,131,824 policies in force in Canada at the same date. The following table covers total returns, both inside and outside Canada, of Canadian life companies for the years 1925 to 1932 inclusive:

	Premium Income	New Assurances Paid For (Net)	Assurances in Force
1932.....	\$265,866,104	\$ 717,260,011	\$7,224,721,616
1931.....	289,708,160	1,033,092,281	7,559,397,128
1930.....	273,220,848	1,287,045,472	7,293,815,206
1929.....	258,392,082	1,319,616,133	6,608,493,113
1928.....	219,695,507	1,082,367,008	5,719,727,921
1927.....	189,773,972	900,107,067	4,892,173,689
1926.....	166,433,775	852,636,509	4,229,047,931
1925.....	145,924,473	663,806,271	3,722,569,189

Individual Records of Canadian Life Companies.

In 1932, the Sun Life Assurance Company of Canada again stood, as in many previous years, in the lead with the largest individual amount (\$279,173,546) of new assurances paid for. Second in the list was the London Life Insurance Company, which, with a total of \$96,726,533, showed an increase as compared with the previous year—an unusual experience during a general trend of decreased business. The Manufacturers Life Insurance Company was third, with \$57,974,765, Canada Life Assurance Company was a close fourth, with \$56,541,192 of new business; this company held its position of many years in the second largest amount of assurance in force, as the table below indicates:

Company	New Assurances Paid For	Assurances in Force	Company	New Assurances Paid For	Assurances in Force
Canada Life	\$ 56,541,192	\$781,677,724	Manufacturers ..	\$ 57,974,765	\$512,439,102
Capital	2,087,346	16,744,326	Maritime	1,630,908	10,245,195
Columbia	71,462		Monarch	4,902,500	54,054,000
Commercial	1,276,233	10,042,380	Montreal	8,143,366	35,999,133
Confederation ...	36,083,823	344,978,672	Mutual of Canada	42,878,314	497,422,850
Continental	3,732,784	35,849,697	National of Can.	7,239,490	54,152,178
Crown	19,615,188	125,606,328	North American..	17,145,108	178,468,449
Dominion	16,196,506	135,820,916	Northern	4,083,135	47,247,458
Dom. of Canada..	1,215,356	6,668,263	Royal Guardians.	576,465	3,825,081
Eaton	2,531,001	23,669,456	Saskatchewan ...	1,036,413	9,953,665
Excelsior	10,185,783	87,712,560	Sauvegarde	2,717,808	26,456,524
Great West	39,183,511	570,323,855	Sovereign	2,915,584	25,321,000
Imperial	21,620,032	271,510,768	Sun Life	279,173,546	2,878,489,740
London	96,726,533	471,954,602	Western	1,512,010	8,077,694

Fire Insurance in Canada. For the third year in succession, as a result of general business conditions, there was a decrease over the previous year in premium receipts of fire insurance companies doing business in Canada, the 1932 total of \$49,199,434 comparing with \$51,928,972 for 1931, \$55,008,627 for 1930 and \$58,590,980 for 1929. It so happened that the net premiums of Canadian companies were greater in 1932 than in 1931, as comparing \$9,727,036 with \$8,788,608, while the premiums of British companies amounted to \$20,414,621 against \$21,968,914, and foreign companies, \$18,057,777 compared with \$19,859,132 the previous year. The ratio of losses incurred to premiums written showed a substantial increase to 64.22 per cent. as compared with 60.23 per cent. in 1931, 58.21 per cent. in 1930 and 53.69 per cent. in 1929. There was a change, however, in the relative position of the three groups of fire insurance companies: in 1931 the ratio of losses of Canadian companies, 61.58 per cent., had been highest of all; in 1932, it was the lowest of the three, only 55.84 per cent., whereas British companies lost 61.21 per cent. and foreign companies the unusually high ratio of 72.14 per cent., the last figure comparing with a ratio of losses of only 59.31 per cent. in 1931. Dealing with the Provinces, premium income from Ontario maintained its lead with \$16,387,039; Quebec was second with \$12,174,297; British Columbia, third with \$4,591,866; Alberta, fourth with \$3,621,529; Saskatchewan, fifth with \$3,539,829; Manitoba sixth, with \$3,402,977, and Nova Scotia, New Brunswick, Prince Edward Island and the Yukon following in the order named. As in 1931, the loss ratio for Prince Edward Island was the highest of all, representing, at 136.13 per cent., over one-third more than the total of premium income paid for the insurance carried. Next in ratio of losses was Quebec with 83.75 per cent. as against 61.28 per cent. in 1931. The gross amount at risk which had reached a new high by the end of 1931 of \$10,789,737,477 was reduced by over \$460,000,000 by the end of 1932 to \$10,326,272,133. The net amount of risk declined from \$9,544,641,293 at the end of 1931 to \$9,254,378,288 by the end of 1932. Unlike the case of life insurance, where Canadian companies had maintained a large margin in the percentage of the total over other companies doing business in Canada, British companies held first place, as they had for many years in fire insurance totals, with the gross amount of policies carried of \$4,547,359,820 comparing with a total of \$1,978,527,475 for Canadian companies and \$3,800,384,838 for foreign companies. The following table shows the business of Canadian, British and foreign companies doing fire insurance business in Canada during 1932 and the previous five years:

Year 1932	Net Premiums†	Gross Amount At Risk	Net Losses	Loss† Ratio (%)
Canadian Companies	\$ 8,460,872	\$ 1,978,527,475	\$ 4,594,087	53.85
British Companies	20,414,621	4,547,359,820	12,495,178	58.67
Foreign Companies	18,057,777	3,800,384,838	13,026,412	67.77
All Companies, 1932.....	\$46,933,270	\$10,326,272,133	\$30,115,677	61.40
" " 1931*.....	51,701,259	10,789,737,477	29,938,409	57.93
" " 1930.....	52,646,520	10,311,193,608	30,427,968	55.74
" " 1929.....	56,112,457	10,791,096,165	30,299,839	53.69
" " 1928.....	57,111,846	9,187,224,958	26,602,925	46.58
" " 1927.....	53,893,198	8,531,139,424	21,944,984	40.72

*1931 figures are finally revised.

†After deducting registered reinsurance.

Fraternal Insurance. A further decline took place in 1932 in the business of Canadian Fraternal Societies. The issue of new certificates by the Mortuary Department amounted to \$7,397,164, a reduction of over \$2,000,000 compared with the 1931 total of \$9,599,293. The steady decline was shown more fully by a comparison with the total of \$11,255,675 for 1930 and \$15,095,645 for 1929. The amount issued by Foreign Fraternal Societies was \$4,308,350 as compared with \$5,883,799 in 1931; \$4,709,995 in 1930 and \$5,396,175 in 1929. The total amount of insurance in force in the Mortuary Department at the end of 1932 was: Canadian Societies, \$122,608,742; Foreign Societies, \$53,237,115—a total of \$175,845,857, as compared with \$183,466,589 at the end of 1931 and \$186,640,119 at the end of 1930. Premiums paid during

1932 amounted to \$2,707,106 for Canadian Societies as against \$2,938,267 in 1931 and to \$1,010,579 for Foreign Societies as compared with \$1,105,829 the previous year. In the Sickness Department, premiums received by Canadian Societies amounted to \$355,474 (as against \$429,755 in 1931) and by Foreign Societies, \$99,849 (as against \$98,564)—a total of \$455,323 as compared with \$528,219 for 1931. Benefits paid to members in Canada by Canadian Societies amounted to \$3,474,081 in the Mortuary Department and to \$432,003 in the Sickness Department, these amounts comparing with \$3,278,621 and \$439,517, respectively, in 1931. Benefits paid by Foreign Societies amounted to \$918,201 in the Mortuary Department and \$139,408 in the Sickness Department, as against \$869,602 and \$112,536, respectively, in 1931. Total payments by Canadian Societies amounted to \$3,906,084 for 1932 (as against \$3,718,138 in 1931 and \$3,809,947 in 1930). The total for Foreign Societies was \$1,057,609 as against \$982,138 in 1931 and \$1,007,039 in 1930. The grand total for all Societies was \$4,963,693 as compared with \$4,700,276 for 1931 and \$4,816,986 for 1930.

INDUSTRIES AND COMMERCE

General Production in Canada

A Report of the Dominion Bureau of Statistics, issued in August, 1933, estimated the net value of commodities produced in Canada during 1931 at \$2,500,000,000, a decline of 22.3 per cent. from the net value, \$3,216,700,000 of the 1930 production.

The annual index of prices for 1931 declined 16.7 per cent. and the net production was lower in value than in any year after 1920. Crop production on a physical volume basis was on a low level in 1931; and the diminished values of farm crops corresponded with field crop prices, which were less than those quoted in available statistics in any previous year since 1909. The decline in manufacturing production, which had commenced in the second quarter of 1929, also continued; value added by manufactures showed a decline of 16.3 per cent. from the total of 1930. The value (roughly estimated) of the productive activities of the gainfully occupied population of Canada during 1931 was \$4,000,000,000 compared with \$5,150,000,000 (revised estimate) in the preceding year.

Each of the main branches of production, agricultural, forestry, mineral, fisheries, trapping, and central electric stations, showed, in 1931, declines in net value from the previous year. The lead of manufactures over agriculture increased from 132.2 per cent. in 1930 to 174.0 per cent. in 1931. Agricultural production represented 21.5 per cent. of the net output of all branches, while the value added by manufacturing, eliminating duplication, was 43.8 per cent. of the total net production; mineral production held third place with a percentage of 9.1, construction fourth place with a percentage of 8.2, followed by forestry, 8.0 per cent.; in 1930 construction had amounted to 9.2 per cent. and forestry 9.4 per cent. Electricity production was 4.9 per cent. of the whole; and repair work, fisheries and trapping followed with percentages of 2.8, 1.2 and 0.4 respectively.

A comparative summary of the value of production by Provinces is appended herewith:

	1929		1930		1931	
	Gross Value	Net Value	Gross Value	Net Value	Gross Value	Net Value
P.E.I.	32,807,542	23,452,390	25,436,519	16,635,118	16,804,299	11,924,262
N.S.	199,016,575	129,380,194	174,266,197	114,402,720	135,124,783	94,507,795
N.B.	141,493,983	87,382,143	127,022,481	78,772,589	99,117,055	64,307,571
Que.	1,770,707,067	1,049,515,828	1,500,303,451	892,076,346	1,128,131,484	686,817,209
Ont.	2,999,318,714	1,658,395,781	2,450,173,078	1,380,458,865	1,800,785,863	1,083,600,274
Man.	342,731,190	185,231,376	273,174,256	142,170,105	195,065,005	113,396,393
Sask.	432,316,508	238,781,959	296,156,731	134,134,319	168,974,502	82,691,410
Alta.	409,642,138	237,493,962	329,898,695	184,659,449	251,640,733	164,947,717
B.C.	512,628,119	331,466,014	420,984,045	268,972,091	292,705,491	193,751,045
Yukon	5,509,564	5,509,564	4,465,130	4,465,130	4,260,226	4,260,226
GRAND TOTAL	6,846,171,400	3,946,609,211	5,601,880,583	3,216,746,735	4,092,609,441	2,500,203,902

Agriculture: The gross agricultural wealth of Canada in 1932 was estimated by the Dominion Bureau of Statistics at approximately \$5,069,930,000 as compared with \$5,696,972,000, the revised estimate for 1931. The 1932 total was made up of these items: lands, \$1,-948,070,000; buildings, \$1,342,924,000; implements and machinery, \$650,664,000; live stock, \$375,722,000; poultry, \$34,138,000; animals on fur farms, \$6,514,000; and agricultural products, \$711,898,000. The total wealth was distributed among the Provinces as follows: Ontario, \$1,366,725,000; Saskatchewan, \$1,143,669,000; Quebec, \$894,211,000; Alberta, \$803,133,000; Manitoba, \$370,505,000; British Columbia, \$188,459,000; Nova Scotia, \$123,561,000; New Brunswick, \$119,024,000; and Prince Edward Island, \$60,643,000.

The average value in 1932 of occupied farm lands in Canada, including both improved and unimproved land, as well as dwelling houses, barns, stables and other farm buildings, was reported as being \$23 per acre, as compared with \$28 in 1931. According to Provinces, the average values were: Prince Edward Island, \$31 (1931: \$34); Nova Scotia, \$28 (1931: \$29); New Brunswick, \$24 (1931: \$26); Quebec, \$37 (1931: \$40); Ontario, \$33 (1931: \$46); Manitoba, \$16 (1931: \$18); Saskatchewan, \$16 (1931: \$19); Alberta, \$17 (1931: \$20); and British Columbia, \$65 (1931: \$74). The average values, during the year, of orchard and fruit lands, including buildings, etc., in the chief fruit-growing Provinces, were estimated as follows: Nova Scotia, \$85 (1931: \$94); Ontario, \$83 (1931: \$110); and British Columbia, \$275 (1931: \$300).

The average wages for farm help in Canada during the Summer season of 1932 were: for men, \$19 (1931: \$25); for women, \$11 (1931: \$15). The value of board during the same period was placed at \$15 for men, as against \$18 in 1931 and at \$12 as compared with \$15 for women. Average yearly wages for men were \$176 as compared with \$240 in 1931 and for women, \$120 as against \$159. The value of yearly board was given for men as \$165 (\$199 in 1931) and for women \$135 (\$163 in 1931).

For all Canada, the average values per head of live stock for the year 1932 were estimated as follows, showing a continuation of the 1931 declines: horses, \$46 (1931: \$50); milch cows, \$32 (1931: \$43); other cattle, \$17 (1931: \$25); total cattle, \$24 (1931: \$32); sheep, \$3.32 (1931: \$5); and swine, \$4.73 (1931: \$7). The total numbers and values of farm live stock in 1932, with comparative figures for the previous year, were given as: horses, 3,088,630 at \$141,640,000 (1931: 3,128,996 at \$155,908,000); milch cows, 3,624,600 at \$116,349,000 (1931: 3,365,000 at \$143,166,000); other cattle, 4,886,500 at \$83,685,000 (1931: 4,626,000 at \$114,828,000); total cattle, 8,511,100 at \$200,034,000 (1931: 7,991,000 at \$257,994,000); sheep, 3,644,500 at \$12,084,000 (1931: 3,608,000 at \$18,596,000); swine, 4,639,100 at \$21,964,000 (1931: 4,716,720 at \$32,773,000). The numbers and

values of farm poultry in 1932, compared with 1931, were: hens and chickens, 59,842,800 at \$29,838,000 (1931: 61,572,000 at \$36,908,000); turkeys, 2,478,300 at \$2,785,000 (1931: 2,232,000 at \$4,198,000); geese, 948,400 at \$991,000 (1931: 904,000 at \$1,385,000); and ducks, 810,700 at \$524,000 (1931: 760,000 at \$647,000).

The total gross agricultural revenue of Canada for 1932 was estimated provisionally at \$711,898,000, as compared with a revised estimate of \$814,930,000 for 1931, a decrease of 12.8 per cent. All items showed reductions. By Provinces, in order of value, the figures were: Ontario, \$226,446,000; Quebec, \$129,656,000; Alberta, \$114,976,000; Saskatchewan, \$109,649,000; Manitoba, \$49,113,000; British Columbia, \$29,031,000; New Brunswick, \$21,711,000; Nova Scotia, \$21,238,000; and Prince Edward Island, \$10,078,000. The upward movement of farm prices since the above valuations were made (March, 1933) suggested a probable upward revision for 1932 revenue when new figures would be compiled in March, 1934. The items were as follows: field crops, \$416,587,000; farm animals, \$69,033,000; wool, \$1,093,000; dairy products, \$131,623,000; fruits and vegetables, \$30,245,000; poultry and eggs, \$48,824,000; fur farming, \$2,732,000; maple products, \$2,747,000; tobacco, \$6,088,000; flax fibre, \$170,000; clover and grass seed, \$962,000; and honey, \$1,651,000.

By a series of deductions from the gross revenue from field crops for such items as feed for farm animals and poultry, seed and unmerchantable grain, and from the gross revenues from fruits and vegetables for vegetables produced on farms for home use, a preliminary estimate of the net agricultural revenue of Canada was given as \$428,829,000 in 1932, as compared with a revised estimate of \$538,192,000 for 1931, a decrease of 20.3 per cent.

The general downward trend of Canada's trade in farm products in recent fiscal years persisted in 1932-33 (according to the External Trade Branch, Dominion Bureau of Statistics). For the year ended Mar. 31, 1933, imports amounted to \$59,405,134 as compared with \$90,809,025 for the year ended Mar. 31, 1932. Exports also registered a lower value than in the previous year, but the decline was less steep, amounting to a fall from \$224,765,120 in 1932 to \$222,814,761 in 1933. Exports of field crops increased during 1933 but the gain, due principally to larger exports of wheat, apples and raw tobacco, was slightly more than offset by a decline in the animal products group. The value of imports of Canadian farm products from the United Kingdom fell from \$39,808,839 in 1932 to \$26,807,743 in 1933. Exports to the United Kingdom, on the contrary, increased in value, rising from \$115,544,292 in the previous year to \$131,926,102 in 1933. Both imports to and exports from the United States declined during the year under review as compared with the preceding year. Imports fell from \$30,552,213 to \$19,739,663 and exports from \$17,917,768 to \$6,947,851. Of Canada's total trade in farm products, the United Kingdom accounted for 45.1 per cent. of

the imports and 59.2 per cent. of the exports; and the United States 33.2 per cent. and 3.2 per cent. respectively. (The terms "1932" and "1933" refer to the fiscal year ended Mar. 31 of each year.)

Farm Tenure and Mortgage Debt. Information on changes in the type of farm tenure and on the farmers' obligations during the ten years, 1921-31, was available in the Final Bulletin, No. XIX, *Tenure, Farm Values, Farm Facilities and Mortgage Debt, 1931, and Farm Expenses for 1930 by Counties or Census Divisions*. This bulletin was the nineteenth of those dealing with the final results of the Census of Agriculture taken as of June 1, 1931. Its most outstanding feature was the general decrease in the number of owned farms and the large increase in those of the "part owner, part tenant" class and the tenant class. Only in Prince Edward Island was there a decrease in the number of tenants in 1931; although Alberta and British Columbia showed a numerical increase in the number of "owned farms," the ratio of owned farms to all farms decreased in both Provinces. The total farm acreage in Canada was 163,254,959 in 1931, and 140,773,775 in 1921. By tenure in 1931 the figures for farm acreages in Canada were: acreage owned (including managers), 107,184,148 (1921, 110,949,811); acreage partly owned and partly rented, 36,031,933 (1921, 17,082,770); acreage rented, 20,038,878 (1921, 13,041,194). Among the Provinces, Prince Edward Island, Nova Scotia and New Brunswick showed decreases in farm acreage. The table below gives the tenure of farms in the three classes for the whole of Canada and the Provinces in 1931, and 1921 for comparison:

Province	Year	Owner	Part Owner, Part Tenant	Tenant
Canada	1931	586,299	67,942	74,382
	1921	615,180	39,932	55,948
Prince Edward Island.....	1931	12,091	540	234
	1921	13,098	326	277
Nova Scotia	1931	37,176	1,213	1,055
	1921	45,575	853	1,004
New Brunswick	1931	31,933	1,164	928
	1921	35,210	630	815
Quebec	1931	126,563	4,305	5,089
	1921	130,666	2,416	4,537
Ontario	1931	157,427	13,233	21,514
	1921	168,726	9,128	20,199
Manitoba	1931	37,973	6,369	9,857
	1921	43,650	3,549	6,053
Saskatchewan	1931	90,691	24,737	21,044
	1921	92,668	13,841	12,942
Alberta	1931	71,060	14,540	11,808
	1921	66,629	8,253	8,072
British Columbia	1931	21,385	1,841	2,853
	1921	18,958	966	2,049

There were no statistics in the 1921 Census comparable with those for mortgage debt obtained in 1931, as in that year statements on these debts were asked from farm owners for the first time; the figures cover only land operated by the farmer himself. The total mortgage debt reported on owned farm land in Canada amounted to \$671,776,500 on June 1, 1931. This amount was distributed among the Provinces as follows: Ontario, 29.74 per cent.; Saskatchewan, 21.16; Alberta, 16.00; Quebec, 14.35; Manitoba, 8.82; British Columbia, 2.26; Nova Scotia, 0.98; New Brunswick, 0.97; and

Prince Edward Island, 0.72. In stating the ratio of the mortgage debt to the value of the farms only the "fully owned" farms were considered; and as the number of these represented over 79 per cent. of the total, the sample is representative of the whole. In the Dominion, 35.56 per cent. of fully-owned farms reported mortgage debts. The ratio of the mortgage debt and the value of the mortgage farm was: Canada, 40.86 per cent.; Prince Edward Island, 33.74; Nova Scotia, 40.45; New Brunswick, 38.26; Quebec, 38.27; Ontario, 44.79; Manitoba, 49.46; Saskatchewan, 38.11; Alberta, 38.75, and British Columbia, 34.76.

Department of Agriculture. Apart from the Dominion Experimental Farms, which are treated in a separate sub-section, the more important activities instituted or amplified by the Department, according to their Annual Report for the year ended Mar. 31, 1933, are summarized as follows: (1) *Dairy and Cold Storage Branch.* During the year investigations were held into the absorption by butter of wood taint from the box in which it was packed and into the various brands of gelatin used by ice cream manufacturers. The policy of paying a bonus of \$100 to any creamery erecting a refrigerator according to plans provided by the Branch had been discontinued at the close of the previous fiscal year. (2) *Health of Animals Branch.* A number of Orders-in-Councils were issued during the year to prevent the introduction of serious live-stock diseases into Canada; and with a view to the eradication of bovine tuberculosis, 96,148 cattle were tuberculin-tested for the first time in new areas and approximately 340,548 were retested in areas previously established. (3) *Live Stock Branch.* Activities were again centred on the implementing of established policies designed to encourage production of the best market types and qualities of meat animals, through the creation of price differentials for market quality, and through provision of adequate marketing facilities and services, *viz.*, by inspection of stock-yard marketing and a complete system of markets intelligence; the segregation of live stock and live-stock products on a basis of quality into grades nationally known and used; bull loaning policy, cow testing, brood sow policy, bacon litter competition, hatchery approval policy, assistance to horse and other breeding; and the aiding of registration of cattle by the Live Stock Pedigree Act, 1932. (4) *Seed Branch.* This Branch determined the quality of seed used by farmers in different districts; carried on research with hard seeds of leguminous plants and microscopic analysis of 2,429 feeding stuffs; registered 362 agricultural poisons under the Agricultural Pests' Control Act. (5) *Entomological Branch.* Campaigns against pests during the year were concerned mainly with the pale western cutworm, grasshoppers, white grubs, gladiolus thrips, wireworm and beet webworm. The four major divisions, with laboratories at Fredericton, N.B., Apple Hill, Ont., Ottawa, Strathroy, Ont., Chatham, Treesbank, Man., Saskatoon, Sask., and Lethbridge, Alta., controlled researches as follows: (a) Field Crop and Garden Insects—studied clover insects, potato stem borer, strawberry weevil, garden slugs, Hessian fly, pea weevil, European corn borer, sod webworms, red turnip beetle, etc.; and made a survey of the abundance and distribution of grasshopper eggs in the Autumn, 1932, in the Prairie Provinces; (b) Forest Insects—made investigations into the white spruce sawfly, spruce bark-beetle, beech bark-louse, balsam woolly aphis and many others; (c) Foreign Pests Suppression—covered: inspection of import and export shipments of plants and plant products; the prevention of the spread, and the control, of foreign pests such as brown tail moth, European apple sucker, Gypsy moth, European corn borer, etc., and of the Canadian apple maggot; (d) Systematic Entomology—maintained and improved the Canadian National Collection of Insects, and conducted biological and taxonomic studies. (6) *Fruit Branch.* Principal crops were closely studied throughout the producing season; transportation matters

received careful attention, and also precooling facilities and warehousing other than cold storage; inter-Provincial markets for fruit were considered; the possibilities of expanding the export trade was investigated; and endeavours relating to maturity tests for fresh fruits were deferred until conditions improved.

New regulations were established, or those existing, amended, under the various Acts and policies administered by the Department during the period from July 1, 1932, to June 30, 1933, by Orders-in-Council as follows: Order-in-Council P.C. 2330 of Oct. 22, 1932, established a regulation governing export of apples by certificate of inspection, under the Destructive Insect and Pest Act; Order-in-Council P.C. 2726 of Dec. 16, 1932, amended the regulations under the Animal Contagious Diseases Act governing the importation of animals; Order-in-Council P.C. 150 of Jan. 30, 1933, amended the regulations under the Animal Contagious Diseases Act governing the importation of cattle into Canada; and Order-in-Council P.C. 362 of Mar. 14, 1933, amended the regulations under the Meat and Canned Foods Act governing the inspection of preserved fruits and vegetables.

Dominion Experimental Farms. Detailed activities of this Branch of the Department of Agriculture during the year ended Mar. 31, 1933, as given in the Annual Report of the latter for that period, included the following: (a) Animal Husbandry—the continuation of pasture experimentation with steers; the study of feed costs and profits of dairy cattle; the qualifying of sows under the Advanced Registry Policy for Swine and the determination of the optimum protein level for growing and fattening swine. (b) Agricultural Bacteriology—lye tests on milking equipment; discovery of sodium benzoate as a preservative of honey; study of the red discolouration of salted hides and its effect on finished leathers. (c) Bee—three-year storage test revealing no definite spoilage in samples kept below 50 degrees Fahrenheit; tests disclosing moisture content and yeast count as affecting fermentation of honey to a great extent. (d) Botany—extension of the Canadian weed survey, chiefly in the Prairie Provinces; continuation of Nova Scotia orchard pollination investigations; research work in stem rust and other diseases. (e) Cereal—the evaluation of new varieties of cereal grains; study of the possibility of growing two or more kinds of grain together and of producing malting barley in certain areas. (f) Chemistry—experiments in the fertilization of pastures; analyses of samples of soils, tobacco, forage plants, etc.; researches in animal nutrition; more extended investigations into the manufacture and distribution of food products. (h) Economic Fibre Production—experiments into approximately 20 major products in the Central Experimental Farms; the distribution of imported linen yarn among homemakers' clubs in Quebec at a nominal cost. (i) Field Husbandry—investigations with a view to learning the most suitable crop rotations and the most efficient and least expensive methods of cultivating land and of seeding and harvesting crops; experiments with regard to drainage, irrigation, soil moisture conservation, pasture improvements, soil drifting and weed eradication. (j) Forage Plants—the establishment, in co-operation with the University of Saskatchewan, of a Laboratory at Saskatoon, whose main activity was hay and pasture crops improvement for Western conditions by plant breeding. (k) Horticulture—the origination of new varieties of apples; investigations in cider-making and into the keeping quality of apples. (l) Tobacco—successful plot tests on the fertilizer requirements of cigar leaf tobacco.

Canadian Farm Loan Board. According to the Report of the Board (J. D. MacLean, M.D., LL.D., Commissioner) for the year ended Mar. 31, 1933, 1,776 applications for loans totalling \$3,939,393 were received. The number indicated a considerable decrease in demand, which was largely caused by new regulations eliminating unacceptable applications before these were formally made; and by the decline in sales of farm lands; and by the enact-

ment of moratorium legislation in a number of Provinces. The loans actually granted during the year amounted to \$82,600 and new loans disbursed totalled \$1,276,114. Owing to the drop in agricultural production prices during the year, and mortgage legislation in some Provinces, the difficulties of collection increased; only \$141,574 of principal and \$353,981 of interest were collected. Arrears of interest at the close of the fiscal year amounted to \$309,426, equal to 3.47 per cent. of the principal of mortgage loans outstanding as compared with 1.86 per cent. outstanding at Mar. 31, 1932. Interest in arrears for more than six months was \$87,740, equal to 0.98 per cent. of the principal of mortgage loans outstanding as compared with 0.24 per cent. outstanding for a similar length of time at Mar. 31, 1932; interest, two years or more past due, totalled \$3,804.

Bonds to the amount of \$800,000 were sold to the Minister of Finance during the course of the year. The total cost of administration for the year amounted to \$112,075, as compared with \$127,987 for the previous fiscal year. Profits of \$298,845 from the year's operations were shown.

The Wheat Situation and Government Action during 1932-33

Agitation for the continuation of the wheat bonus by the Governments of the three Prairie Provinces, the Provincial Wheat Pools, the United Farmers of Alberta and other groups, was decisively answered by the Prime Minister of Canada (Rt. Hon. R. B. Bennett) on Oct. 25, during the 1932-33 Session of Parliament in a statement to the effect that the bonus could not be renewed for 1932 as the financial state of the country would not permit it. On Nov. 14, the Prime Minister gave in the House an account of the means adopted by the

Government in order to protect the general situation in connection with the marketing of wheat and which, it was believed, would eventually be more beneficial to the country as a whole than the bonus. The Government, confronted by the absence of other hedging operations on the market, had guaranteed to the banks, under the Unemployment and Farm Relief Acts (1931 and 1932), the sums necessary for the carrying-on of marketing operations by the Canadian Co-operative Wheat Producers Limited. The amount involved was not stated, as the Prime Minister pointed out that the guarantee was against ultimate loss, which could not be determined until the transactions were completed; he considered it clear, however, that it would be less than the amount involved in payment of the bonus. Other Government assistance was in the form of guarantees to the banks for advances to the three Provincial Pools. Two Orders-in-Council, tabled in the House of Commons on Nov. 15, showed the inception of the guarantee plan and its development; a third concerned the backing given the three Wheat Pools. The first, dated Sept. 11, 1931, referred to the marketing of the 1930 carryover, and named the banks who were to be guaranteed against loss: the Banks of Montreal, Nova Scotia, Toronto, Commerce, and the Royal, Dominion and Imperial Banks. The second Order, July 11, 1932, besides similarly providing for the carryover of 1931, authorized further advances from the banks in order to protect purchases of wheat or other grains already made, as a portion of the wheat concerned in the first Order had not been disposed of upon its expiry (Apr. 30, 1932). The third Order-in-Council was a renewal of the policy of 1931, whereby bank loans were guaranteed to the three Pools in order to give them a sufficient working capital, a policy which had cost the Treasury nothing the year before. (See Section, Federal Administration and Politics, pp. 63-64).

Growing support by the Prairie Provinces of the movement for the restriction of wheat production or exports for the purpose of stabilizing prices became apparent when a message was sent to the Prime Minister of Canada from representatives of the Provinces toward the end of May, 1933. It stated that the Governments of Manitoba, Saskatchewan and Alberta pledged their support to this principle and would co-operate with the Federal Govern-

ment in carrying it into operation in Canada. It recommended, in addition, that the Canadian Government introduce the question at the Monetary and Economic Conference, then shortly to be held; and that any agreement there reached should, if possible, become effective in marketing crops after July 1, 1933. (See Section: International Affairs, for brief mention of world wheat discussions during the Monetary and Economic Conference).

On June 5, 1933, the Agricultural Stabilization Fund, previously forecast in the Budget Speech of the Minister of Finance, was put into operation under regulations contained in an Order-in-Council. Through it, exporters of certain Canadian products to the United Kingdom were to be paid the difference between the amount of the proceeds of their sales, at the current rate of exchange, and what would have been realized at a stabilized rate of \$4.60 for the pound. The Fund was to be administered by the Minister of Finance; the approved commodities should be produced or prepared in Canada, and, with the exception of cattle, poultry or meats, should have been in their primary form the product of the 1933 crop or of the producing or fishing season; and the Fund was to apply to goods entered for export on or after May 1, 1933 (until the expiry of the Unemployment and Farm Relief Act, Mar. 31, 1934, under the authority of which the bonus would be paid).

A considerable amount of public discussion centred on an article of the Agreement between the United Kingdom and Canada made at the Imperial Economic Conference in 1932. Of interest to wheat producers, it concerned the means of exporting wheat to the United Kingdom so that it would be eligible for free entry. The disputed article allowed free entry of goods "consigned from any part of the British Empire, and grown, produced, or manufactured in Canada." A message, in October, from the Canadian High Commissioner to London, to the Department of Trade and Commerce, stated that mere transit through the United States would not bar goods from the Preference, provided that "satisfactory evidence of through consignment is produced". Test shipments of Canadian grain were subsequently sent, one by the International Export Association of New York, *via* Buffalo, New York and a United States Atlantic port, which was refused free entry on Dec. 5 by the Liverpool customs officials; another *via* the United States was also refused free entry, on Feb. 10. According to a statement made by the Prime Minister of Canada in the Commons a few days later, the first shipment had not been satisfactory from the standpoint of the identity of the grain; and the second had been reconsigned to Great Britain after leaving Canada. In a London press dispatch of Feb. 16 the Chancellor of the Exchequer, Rt. Hon. Neville Chamberlain, was quoted as having stated in the British House of Commons: "I am not aware of any case where the Imperial Preference has been refused on Canadian wheat which has been shown, to the satisfaction of the customs officials, to have been definitely consigned to Britain from Canada".

Wheat and Other Field Crops of Canada, 1932 and 1933.

Canadian crop production in 1932 was a distinct improvement over the 1931 production. The weather of the growing season varied throughout the country, as it had in previous seasons, after 1928. Production, however, was much more evenly distributed geographically than in 1931. Although growth was slow in the Maritime Provinces during the Spring, owing to cold and dry weather, substantial rains during late June and early July improved the crops. Quebec crops suffered severely from lack of rainfall early in the season, but August rains partly remedied this condition. Eastern and Northern Ontario crops also suffered from Spring and Summer drought; in Southern Ontario the weather was more favourable. The potato crop in both Ontario and Quebec was considerably less than in 1931, owing to unsuitable weather. Late season rainfall in the Prairie Provinces was not sufficient to maintain the heavy stands produced by wet weather in the Spring; and insect, especially grasshopper, damage was heavy; production was, nevertheless, much greater than in 1931. British Columbia crops improved during the

Summer, after an unsatisfactory Spring, but field crop production was slightly below that of the previous year.

The following table gives the final estimate of the principal field crops in Canada during the years 1931 and 1932 (Bulletin, Dominion Bureau of Statistics), wheat, rye and flaxseed figures, together with the average prices used in crop valuation being subject to revision:

Area, Yield and Value, 1931 and 1932

Field Crops	Year	Area Acres	Yield Per Acre Bush.	Total Yield Bush.	Average Price Per Bushel \$	Total Value \$
Fall wheat	1931	537,658	28.8	15,475,000	0.52	8,085,000
	1932	536,000	28.1	15,062,000	0.46	6,929,000
Spring wheat	1931	25,663,270	11.9	305,850,000	0.38	115,465,000
	1932	26,646,100	15.5	413,452,000	0.30	122,176,000
All wheat	1931	26,200,928	12.3	321,325,000	0.38	123,550,000
	1932	27,182,100	15.8	428,514,000	0.30	129,105,000
Oats	1931	12,871,341	25.5	328,278,000	0.24	77,970,000
	1932	13,148,400	29.8	391,561,000	0.18	71,538,000
Barley	1931	3,768,269	17.9	67,382,600	0.26	17,465,000
	1932	3,757,600	21.5	80,773,000	0.20	15,794,000
Fall rye	1931	598,511	6.5	3,873,000	0.28	1,079,000
	1932	613,900	11.6	7,132,000	0.17	1,237,000
Spring rye	1931	179,023	8.1	1,449,600	0.27	397,000
	1932	159,900	11.3	1,806,000	0.18	327,000
All rye	1931	777,534	6.8	5,322,000	0.28	1,476,000
	1932	773,800	11.6	8,938,000	0.17	1,564,000
Peas	1931	82,640	16.6	1,369,400	0.85	1,160,400
	1932	84,800	17.9	1,518,500	0.85	1,288,300
Beans	1931	82,109	15.9	1,304,100	0.72	941,300
	1932	66,600	17.1	1,140,900	0.55	628,600
Buckwheat	1931	335,339	20.6	6,916,700	0.50	3,454,000
	1932	368,400	22.9	8,424,000	0.42	3,540,000
Mixed grains	1931	1,186,877	33.2	39,431,000	0.37	14,453,000
	1932	1,184,000	33.0	39,036,000	0.33	13,068,000
Flaxseed	1931	627,430	3.9	2,465,000	0.79	1,944,000
	1932	453,700	5.4	2,446,000	0.52	1,282,000
Corn, husking	1931	131,695	41.4	5,449,000	0.42	2,274,000
	1932	130,000	38.9	5,057,000	0.45	2,276,000
Cwt. Cwt. Per Cwt.						
Potatoes	1931	583,926	90.0	52,305,000	0.43	22,359,000
	1932	521,500	76.0	39,416,000	0.62	24,406,000
Turnips, etc.	1931	150,899	195.0	29,392,000	0.28	8,109,000
	1932	174,800	216.0	37,766,000	0.27	10,160,000
Tons Tons Per Ton						
Hay and clover.....	1931	8,532,369	1.64	13,960,000	7.62	106,343,000
	1932	8,811,600	1.54	13,559,000	7.10	96,278,000
Alfalfa	1931	557,360	2.49	1,388,000	10.36	14,381,000
	1932	666,100	2.65	1,763,500	8.55	15,085,000
Fodder corn	1931	336,192	8.58	2,883,600	3.96	11,415,700
	1932	365,600	7.82	2,857,600	2.75	7,869,000
Grain hay	1931	1,800,000	2.00	3,613,000	6.13	22,130,000
	1932	1,899,500	1.76	3,342,000	6.08	20,312,000
Sugar beets	1931	49,997	9.08	454,000	6.11	2,774,000
	1932	45,000	10.00	450,000	5.32	2,393,000

Field Crops of Canada, 1933. The final estimate of the area, yield and value of field crops in Canada in 1933 was issued by the Dominion Bureau of Statistics on Jan. 19, 1934. Estimates of wheat, rye and flaxseed, as well as average prices used in crop valuation, it was stated, might be subjected to further revision. The aggregate value of all field crops was shown as \$421,937,000 as compared with \$452,526,900 in 1932 and the total area, under the principal field crops, was estimated at 58,529,550 acres in 1933 as compared with 59,643,200 acres in the previous year.

The total production of wheat in Canada for the year 1933 was estimated at 269,729,000 bus. from 25,991,100 acres, a yield per acre of 10.4 bus., as compared with 443,061,000 bus. from 27,182,100 acres, or 16.3 bus. per acre in 1932. Oats yielded 307,478,000 bus. from 13,528,900 acres, as compared with 391,561,000 bus. from 13,148,400 acres in 1932, yields per acre of 22.7 bus.

and 29.8 bus. respectively. The yield of barley was estimated at 63,359,000 bus. from 3,658,000 acres, as compared with 80,773,000 bus. from 3,757,600 acres in 1932, the average yields per acre being 17.3 bus. and 21.5 bus. Rye was estimated to have yielded 4,327,000 bus. from 583,100 acres, as compared with 8,470,000 bus. from 773,800 acres in 1932, yields per acre of 7.4 bus. and 10.9 bus. respectively. Flaxseed yielded 632,000 bus. from 243,600 acres, as against 2,719,000 bus. from 461,500 acres in 1932, the yields per acre being 2.6 bus. and 5.9 bus. respectively. For the remaining grain crops, the total yields for 1933 were, in bus., as follows, with the 1932 figures within brackets: Peas 1,376,800 (1,518,500); beans 890,700 (1,140,900); buckwheat 8,483,000 (8,424,000); mixed grains 33,009,000 (39,036,000); corn for husking 5,054,000 (5,057,000).

The acreages, yields per acre and total yields of root and fodder crops were as follows, with the 1932 figures within brackets: Potatoes 527,700 acres, 78 cwt., 41,296,000 cwt. (521,500 acres, 76 cwt., 39,416,000 cwt.); turnips, etc. 183,900 acres, 188 cwt., 34,618,000 cwt. (174,800 acres, 216 cwt., 37,766,000 cwt.); hay and clover 8,875,900 acres, 1.29 tons, 11,443,000 tons (8,811,600 acres, 1.54 tons, 13,559,000 tons); alfalfa 721,600 acres, 2.29 tons, 1,652,300 tons (666,100 acres, 2.65 tons, 1,763,500 tons); fodder corn 378,750 acres, 8.25 tons, 3,122,800 tons (365,600 acres, 7.82 tons, 2,857,600 tons); grain hay 1,949,000 acres, 1.51 tons, 2,948,000 tons (1,899,500 acres, 1.76 tons, 3,342,000 tons); sugar beets 42,100 acres, 9.95 tons, 419,000 tons (46,900 acres, 10.82 tons, 508,000 tons).

The average prices per unit as received by growers at the point of production for the 1933 crop were estimated as follows, with revised prices for 1932 within brackets: Cents per bus.—Wheat 46 (35); oats 25 (19); barley 26 (23); rye 35 (27); peas 100 (85); beans 99 (55); buckwheat 50 (43); mixed grains 39 (33); flaxseed 113 (62); corn for husking 56 (45). Cents per cwt.—Potatoes 77 (63); turnips, etc. 34 (27). Dollars per ton—Hay and clover 8.24 (7.13); alfalfa 8.19 (8.58); fodder corn 3.07 (2.75); grain hay 6.58 (6.08); sugar beets 6.08 (6.23).

The total values of field crops were estimated as follows, the values for 1932 being given within brackets: Wheat \$122,864,000 (\$154,760,000); oats \$75,389,000 (\$75,988,000); barley \$16,520,000 (\$18,855,000); rye \$1,506,000 (\$2,284,000); peas \$1,371,000 (\$1,288,300); beans \$878,000 (\$628,600); buckwheat \$4,203,000 (\$3,585,000); mixed grains \$12,752,000 (\$13,063,000); flaxseed \$714,000 (\$1,682,000); corn for husking \$2,830,000 (\$2,276,000); potatoes \$31,643,000 (\$24,920,000); turnips, etc. \$11,878,000 (\$10,065,000); hay and clover \$94,300,000 (\$96,654,000); alfalfa \$13,534,000 (\$15,131,000); fodder corn \$9,599,000 (\$7,868,000); grain hay \$19,407,000 (\$20,312,000); sugar beets \$2,549,000 (\$3,167,000).

The total grain yields of the three Prairie Provinces were estimated as follows, with the 1932 figures within brackets: Wheat, 250,841,000 bus. from 25,177,000 acres (422,947,000 bus. from 26,395,000 acres); oats, 177,422,000 bus. from 8,945,000 acres (245,726,000 bus. from 8,533,000 acres); barley, 47,243,000 bus. from 3,032,000 acres (63,114,000 bus. from 3,154,100 acres); rye, 3,254,000 bus. from 519,700 acres (7,270,000 bus. from 706,200 acres); flaxseed, 563,000 bus. from 235,900 acres (2,640,000 bus. from 453,500 acres).

According to a Dominion Bureau Bulletin of Nov. 10, 1933, yields of the five principal grain crops, wheat, oats, barley, rye and flax seed for each of the three Prairie Provinces was estimated provisionally as follows (figures for 1932 in brackets): Manitoba—wheat 32,600,000 (42,400,000); oats 28,756,000 (36,826,000); barley 16,573,000 (20,014,000); rye 559,000 (560,000); flaxseed 100,000 (240,000). Saskatchewan—wheat 125,300,000 (202,000,000); oats 78,164,000 (107,400,000); barley 18,297,000 (23,400,000); rye 1,733,000 (5,190,000); flaxseed 472,000 (1,980,000). Alberta—wheat 95,100,000 (164,000,000); oats 74,151,000 (101,500,000); barley 12,783,000 (19,700,000); rye 1,353,000 (1,988,000); flaxseed 41,000 (147,000).

Wheat Carryover and Distribution, 1932-33. The total stocks of Canadian wheat in Canada at July 31, 1933, were placed by the Dominion Bureau of Statistics at 211,740,188 bus.—79,895,382 bus. more than the previous year's total of 131,844,806. Canadian wheat in elevators and afloat in the United States amounted to 6,220,210 bus., while 1,468,000 bus. of Canadian wheat were afloat destined for United States ports. The comparable figures for these items at July 31, 1932, were 4,706,828 and 1,181,427 bus. respectively. The total amount of Canadian wheat in Canada and the United States at July 31, 1933, was 219,428,398 bus., as compared with 137,733,061 bus., the revised total for July 31, 1932.

The disposition of the 1932 crop of wheat was reported by the Dominion Bureau of Statistics in the *Monthly Review of the Wheat Situation* issued Jan. 30, 1934. The carryover of wheat in Canada at July 31, 1932, was placed at 131,844,806 bus. With the 1932 production, estimated in January, 1933, at 443,061,000 bus., added, together with imports of 173,005 bus. during the period August, 1932, to July, 1933, the estimated total available for distribution amounted to 575,078,811 bus.

During the period, Aug. 1, 1932, to July 31, 1933, the disposition of wheat in bushels was as follows: Exports, 264,304,327; human consumption, 43,095,155; seed for 1933 crop, 32,277,000; feed for live stock and poultry, 22,996,000; loss in cleaning, 7,200,000; unmerchantable, 2,108,000; carryover, July 31, 1933, 211,740,188; total, 583,720,670. The discrepancy of about 8.6 million bushels between this amount and the estimated total available for distribution (575,078,811 bus.) is partly due to the fact that Customs export figures do not correspond closely in time to the period from Aug. 1, 1932, to July 31, 1933; and to over-estimation of the disposition of certain items, and, perhaps, to some under-estimation of the crop in Eastern Canada.

The 1932 wheat crop of the Prairie Provinces was estimated in January, 1933, at 408,400,000 bus. To this was added the carryover on farms at July 31, 1932, of 5,829,000 bus., making an estimated total of 414,229,000 bus. available for disposition. The actual amount disposed of, as shown by marketing and other returns, was 428,776,000 bus., indicating that there had been an under-estimate of 14,547,000 bus. This actual disposition was made up of: marketings, 371,282,000 bus.; seed, 31,000,000 bus.; feed, 12,121,000 bus.; unmerchantable wheat, 1,680,000 bus.; country millings, 1,667,000 bus.; and the carryover on farms at July 31, 1933, 11,026,000 bus. Therefore, the 1932 crop of the Prairie Provinces, as indicated by disposition figures (after subtracting the carryover of 5,829,000 bus.), amounted to 422,947,000 bus.

Wheat prices during the crop year 1932-33 (to July 31, 1933) moved through a wide range. From the all-time low, Dec. 16, of 39.4 cents per bushel for No. 1 Manitoba Northern cash wheat on the Winnipeg Exchange, the price rose to 94.0 cents on July 18. Monthly average prices ranged from 42.4 cents in December to 83.4 in July, and compared with the lowest monthly average of 1931-32, 53.6 cents and the highest, 63.2 cents.

Canadian Wheat and Wheat Flour Exports, 1932-33. The increase in Canadian wheat exports for the year reflected 1932 production conditions in other countries, which, in their turn, influenced the demand. With Russia, her reserves depleted, no longer in the field as an exporter to any extent; with small crops in Danubian countries; and with small supplies available for export in the Argentine and Australia during the first half of the crop year, Canada's opportunities for export were widened. The table below, from the *Monthly Bulletin of Agricultural Statistics*, August, 1933, gives figures for exports of Canadian wheat and flour to the United Kingdom and other countries for the crop year ended July 31, 1933, compared with the year 1931-32:

Exports of Canadian Wheat and Flour by Countries.

Exports by Countries		Twelve Months Ended July	
		1932	1933
Wheat—			
To United States.....bush.		4,473,293	304,970
	\$	2,465,704	169,709
To United Kingdom—			
via United States.....bush.		45,849,312	54,751,714
	\$	26,362,346	29,951,033
via Canadian Atlantic Seaboard.....bush.		19,270,582	42,797,753
	\$	12,082,077	26,011,679
via Canadian Pacific Seaboard.....bush.		36,444,260	58,912,269
	\$	20,907,586	29,760,274
Total to United Kingdom.....bush.		101,564,154	156,461,736
	\$	59,352,009	85,722,986
To Other Countries—			
via United States.....bush.		2,842,354	47,608
	\$	1,798,059	26,834
via Canadian Atlantic Seaboard.....bush.		35,452,316	45,750,208
	\$	23,596,954	29,237,159
via Canadian Pacific Seaboard.....bush.		38,471,265	37,572,040
	\$	22,332,562	19,064,798
Total to Other Countries.....bush.		76,765,935	83,369,856
	\$	47,727,575	48,328,791
TOTAL WHEAT .....bush.		182,803,382	240,136,568
	\$	109,545,288	134,221,486
Wheat Flour—			
To United States.....bush.		1,930	658
	\$	4,755	1,895
To United Kingdom—			
via United States.....bush.		307,855	156,243
	\$	1,013,452	425,288
via Canadian Atlantic Seaboard.....bush.		1,688,366	1,962,522
	\$	6,054,833	6,449,160
via Canadian Pacific Seaboard.....bush.		226,818	253,298
	\$	728,102	764,602
Total to United Kingdom.....bush.		2,223,039	2,372,063
	\$	7,796,387	7,639,050
To Other Countries—			
via United States.....bush.		489,614	339,376
	\$	1,562,953	1,038,335
via Canadian Atlantic Seaboard.....bush.		1,805,054	1,641,801
	\$	6,516,912	5,577,169
via Canadian Pacific Seaboard.....bush.		863,957	1,016,715
	\$	2,690,833	2,843,811
Total to Other Countries.....bush.		3,158,625	2,997,892
	\$	10,770,698	9,459,315
TOTAL WHEAT FLOUR.....bush.		5,383,594	5,370,613
	\$	18,571,840	17,100,260
TOTAL EXPORTS OF WHEAT AND FLOUR.....bush.		207,029,555	264,404,327
	\$	128,117,128	151,321,746

NOTE.—On the average, one barrel of flour equals $4\frac{1}{2}$ bushels of wheat.

World Wheat Supply and Demand Position, 1933. Wheat production of the world in 1933 was so distributed as to indicate a limited volume of trade during 1933-34. According to the *Monthly Reviews of the Wheat Situation*, issued by the Dominion Bureau of Statistics, yields in importing areas were considerably higher; Europe, it was stated, "has produced a larger share of her own cereal requirements in 1933 than in any year in modern times"; the wheat crop in the Argentine was the third largest in history, while Canada, the United States and Australia reported lower yields than usual.

1933 and 1932 wheat production by acreage and quantity, exclusive of Russia and China, is shown below:

	Area		Production	
	1933	1932	1933	1932
	Acres		Bushels	
Europe	77,314,000	75,079,000	1,682,726,000	1,480,979,000
Argentine	19,662,000	19,791,000	256,173,000*	235,376,000
Australia	14,500,000	15,347,000	160,000,000*	210,000,000
Canada	25,991,100	27,182,100	269,729,000	443,000,000
United States	47,493,000	57,204,000	527,000,000	744,076,000

*Tentative figures.

In addition, production in North Africa amounted to 104,902,000 bus. as against 127,245,000 in 1932; and that of India and Japan, 391,471,000 bus. as against 368,232,000.

Large increases in Germany, France and Italy, especially contributed to the growth in European production; the three countries produced in 1933, 205,820,000, 338,663,000, and 297,631,000 bus. respectively, as compared with 183,828,000, about 333,524,000 and 276,127,000 bus. in 1932. The Danubian countries, equally favoured by growing conditions, also showed increases. Ideal weather in the late stages of growth favoured the Argentine crop; drought affected Australian production, and the North American also, which, in addition, suffered from insect damage.

Definite information as to Russia's 1933 wheat crop was not available, except for rumours that it was slightly better than in the previous year. The prophecy that only small exports of wheat would be forthcoming was verified by her shipments in the first twenty weeks of the new crop year (1933-34); these exceeded those of the previous year by only about 3,000,000 bus.

The table below shows world shipments of wheat and wheat flour for the first fifty weeks of 1932-33 compared with the amount for the corresponding period of the 1931-32 crop year (Broomhall's figures):

Year	N. America	Argentine	Australia	Russia	Other	Total
	Thousand Bushels					
1932-33.....	282,575	119,442	150,626	17,408	25,072	595,123
1931-32.....	318,907	137,611	149,965	70,726	74,080	751,289

This shows the total from Aug. 1, 1932, to July 16, 1933, amounted to 595,000,000 bus. as compared with 751,000,000 for the same period in 1931-32. All the exporting areas showed reduced exports, with the exception of Australia.

Imports of wheat into the United Kingdom, amounted during 1932-33 to 204,375,817 bus., as against 229,420,424 during the preceding year. The exports were divided among the countries of origin as follows (in 1932-33): Canada, 102,882,268 bus.; United States, 2,191,927; Argentine, 33,178,430; Australia, 50,433,050; Russia, 3,960,702; Others, 11,729,430.

Total world exports of wheat flour alone in 1932-33 (Aug.-July) amounted to 26,479,000 barrels, as compared with 29,367,000 in 1931-32. Exports from the chief countries in 1932-33 other than Canada (see subsection above for Canadian exports) were: from the United States, 4,844,000 barrels, Australia, 6,405,000; Argentine, 839,000; Lower Danube, 504,000. The United States, owing to high internal price levels, showed a decrease of almost half over the preceding year; the Lower Danubian countries, a decrease of almost three-quarters, owing to development in the industry in Central European importing countries since the War and the recent import duty applied by the United Kingdom against non-Empire flour exporters; Australia showed a slight decrease, and Argentina a slight increase.

World wheat import requirements for 1933-34 were placed at a low figure, because of the small demand expected from countries which, normally importing, had on hand in 1933 larger than usual crops of their own. Several European countries, notably France and Germany, had in addition fairly large reserves from 1932 crops. Broomhall on Aug. 16, 1933, estimated that 552 million bushels would be shipped, out of which Europe would take 400 million and ex-European countries, 152 million. The London Wheat Conference, in the same month, accepted the estimate of 560 million bushels for requirements. The recent fall in wheat imports is indicated by the table below, showing actual shipments since 1926-27:

1926-27.....	814 million bus.	1930-31.....	788 million bus.
1927-28.....	793 " "	1931-32.....	770 " "
1928-29.....	928 " "	1932-33.....	615 " "
1929-30.....	613 " "	1933-34 (Estimated).....	552 " "

Board of Grain Commissioners. The Board (composed of E. B. Ramsay, Chief Commissioner; D. A. MacGibbon and C. M. Hamilton,

Commissioners) in its Report for the calendar year 1932, commented on the satisfactory services being rendered to the general public by the elevator system of Canada, which was evidenced by the reduced number of complaints, prosecutions, defaults, etc., during the year. A rapid improvement in the question of excessive elevator overages was reported. An Amendment in the year 1932 to The Canada Grain Act, 1930, enlarging the powers of the Board to deal with elevator tariffs, resulted in a reduction of the storage charges on grain from one-thirtieth of a cent per bushel per day to one forty-fifth of a cent per bushel per day for elevators situated in the Western Inspection Division.

One of the major activities of the Board was the continuation of the distribution of the five cent bonus on wheat and the preparation for the winding up of this aid to farmers. The distribution involved the sum of \$12,720,121 on 254,402,420 bushels. The Board assumed the responsibilities of the shipping of grain through the Hudson Bay route to Europe (Port Churchill) in order to assure the satisfactory operation of the facilities of the port. The statement of Revenue and Expenditure for the crop year ended Aug. 31, 1932, showed a total deficit of \$697,242, divided as follows: Western Division, \$665,999 and Eastern Division, \$31,243.

In the early part of the shipping season of 1932, lake freight rates fell to what were considered unremunerative levels and in July, the Associated Lake Freighters Limited was formed, following which an advance in rates on grain carried between Canadian ports occurred, up to the rate of 7 cents per bushel on wheat between Fort William and Montreal. The Board, which had authority to prescribe maximum lake rates on grain when in its opinion these rates became excessive or discriminative, intervened and the maximum rate was reduced to 6½ cents per bushel on wheat and continued for the balance of the season.

The following special investigations and work were carried out by the Dominion Grain Research Laboratory at Winnipeg, Man., during the year 1932: (1) a survey of the protein content of the contract grades of Hard Red Spring Wheat grown in Western Canada in 1932; (2) maximum, minimum and average protein content of the contract grades of wheat grown in the three Prairie Provinces for the five years 1928 to 1932; (3) a five-year study of the protein content of the wheat grown in Western Canada; (4) a study of the suitability of electrical moisture testers for the commercial determination of moisture in grain; (5) physical and chemical data on the average grades of flax, December, 1932; (6) the value of Canadian wheat for blending purposes; (7) the International Exhibition of Bread Making Machinery and Accessories, Bologna, Italy; (8) Information for the Chief Inspector: (a) effect of a certain fungus upon the milling quality of a sample of wheat; (b) drying of wheat; (c) the milling and baking qualities of the first two shipments of Canadian wheat from Churchill, Man.; (d) study of bleached and immature wheats; (9) milling and baking characteristics of the 1932 crop.

Growers' Associations. At the Annual Meeting of the United Grain Growers Limited, held at Saskatoon, Sask., on Nov. 9, 1932, the Annual Report for the fiscal year ended July 31, 1932, was presented showing an operating profit of \$917,245. After taking care of such fixed charges as bond interest, depreciation and income taxes, it was possible to declare a dividend of five per cent. on the paid-up Capital of the Company and to make an addition to the extent of \$20,169 to Surplus Account which made a total Surplus Account of \$828,557. Outstanding in the Report of the President, R. S. Law, was the statement that the Company elevators had handled a higher percentage of western wheat crop than for several years, due to comparatively favourable location of elevators in good crop districts, and also to a tendency on the part of the farmers to give an increasing degree of patronage to the United Grain Growers' elevators. The balance sheet revealed a strong financial position, the current assets amounted to \$2,934,591 and the current

liabilities to \$1,220,039. All bank loans had been completely paid off by the end of the fiscal year and there was cash on hand of \$218,369. The Officers elected for the ensuing year, were as follows: R. S. Law, President and General Manager; J. J. MacLellan, 1st Vice-President; J. F. Reid, 2nd Vice-President; J. B. McNair, c.A., Treasurer; C. C. Jackson, Secretary; and R. J. Baker, c.A., Assistant Secretary and Treasurer.

The 1933 Meeting of the Canadian Seed Growers' Association was convened at Regina, Sask., on July 21-22. The Board of Directors' Report for 1932-33 noted a most determined effort on the part of grower members to maintain a normal volume of seed from registered crops for use in Canada in spite of adverse conditions; the poor germination of corn seed stocks due to unfavourable harvesting conditions; the decrease in the acreage of alfalfa; the increased swede seed production in the Maritime Provinces; the normal registration of volume of cereal and miscellaneous crops; the material extension during the year of registration work with vegetable crops; the recommendation that the tobacco crop be included among the crops registered by the Association; the allocation of education funds; and the preparation of an exhibit for the World's Grain Exhibition and Conference. A. L. Searle, President of the Searle Grain Company Limited, was elected the first Honorary Member of the Association. The following officers were elected: President, Robert Summerby, Macdonald College, Que., Vice-President, F. W. Townley-Smith, Lashburn, Sask.; and Secretary-Treasurer, W. T. G. Wiener, Ottawa.

Canadian Co-operative Wheat Producers Limited. The Report of the Board of Directors of the Canadian Co-operative Wheat Producers Limited (President: L. C. Brouillette), covering the crop year 1932-33 (ended July 31), stated that, as the stabilization policy inaugurated by the Federal Government in 1930, and carried out by their Association, was still continuing, it was not possible at that time to give any detailed information with respect to the balance of the 1930 crop. Although no longer acting as a sales agency for the three Provincial Pools, the Canadian Co-operative Wheat Producers Limited, by means of bi-monthly meetings of the Board of Directors (the Central Board), which was composed of representatives of the Pools, exercised a co-ordinating influence on the activities of those organizations. During the previous year (1931-32), the ownership of Canadian Pool Agencies was transferred to the Provincial organizations through the purchase by the latter of that Company's Capital Stock.

In the Report was included a memorandum submitted to the Royal Commission on Banking and Finance by the three Pool organizations of Manitoba, Saskatchewan and Alberta, in which they strongly advocated the establishment of a central bank, referred to the burden imposed upon agriculture by high interest rates and by the practice by banks of compounding interest every three months, and emphasized the need for providing a penalty for breach of the maximum rate of interest stipulated by the Bank Act.

The advisability of an International Wheat Conference which had been repeatedly urged by the Pools, was the subject of another memorandum, to which the Report made reference, and which had been drawn up by the Central Board of the Wheat Pools on Jan. 24, 1933. This expressed the view that a bushelage basis should be a fundamental factor in any plan for an International Wheat Agreement, and that the *quota* policy, if adopted for exporting countries, should be carried back to the farm, rather than a policy of straight acreage reduction, either voluntary or compulsory.

In connection with a proposed Amendment to the Canada Shipping Act, which would prevent trans-shipment of Canadian grain through Buffalo or other United States Ports, except in Canadian vessels, the Report declared that a resolution opposing such action, on the ground that it might seriously react against the movement of Canadian wheat to world markets, had been passed by the Central Board on Mar. 18, 1933. This was presented to the Senate Committee on Banking and Finance on Apr. 4 by Paul F. Bredt, a

Member of the Central Board, who outlined the objections of the Western farmers. The Amendment was later passed at the 1933 Session of Parliament.

John I. McFarland, General Manager of the Canadian Wheat Pool, in his Report affirmed that the stabilization operations carried on in the name of the Canadian Co-operative Wheat Producers Limited, and with the support of Government guarantees, though not alone responsible for a higher level of prices, had benefited "farmers and thus the country . . . to the extent of many, many millions of dollars."

During the crop year 1932-33 Manitoba Pool Elevators, Limited, handled a total of 13,816,534 bus. of grain; this was 28.3 per cent. of all the grain marketed in Manitoba and an increase of approximately 3 per cent. over the previous year. After taking care of all expenses, the net operating surplus amounted to \$300,835, out of which was paid in full the amount due by the Manitoba Pool Elevators to the Provincial Government on the 1929 overpayment, the amount due on Manitoba terminal No. 1 and a contribution to the working capital of over \$55,000.

Saskatchewan Pool Elevators, Limited, had net operating earnings of \$2,797,387 in 1932-33, made the final payment, in full, on the Saskatchewan Co-operative Elevator system, paid the principal and interest in full to date from the 1929 overpayment and purchased, for cash payment of \$110,000, fifteen elevators and four cottages from the United Grain Growers. After making full allowance for depreciation on country and terminal elevators, liabilities of the Saskatchewan Pool Elevators were reduced by \$2,417,954. Handlings from country elevators and over the loading platforms were 91,370,045 bus., which was more than 43 per cent. of all the grain marketed in Saskatchewan and an increase of over 3 per cent. over the previous year.

The total net receipts of the Alberta Pool Elevator system amounted to 48,390,660 bus. comparing very favourably with total handlings of the previous season of 41,591,781 bus. Net operating earnings of the elevator system amounted to \$997,949 out of which Pool indebtedness to date to the Alberta Government on the 1929 overpayment was met in full, and full depreciation on all their properties, totalling over half a million dollars, set aside, leaving \$179,055 carried forward as a reserve.

Potato Production. The production of potatoes in 1932, according to the Dominion Bureau of Statistics, amounted to 39,416,000 cwt., from 521,500 acres, the smallest yield recorded since 1916. In 1931, from 583,926 acres, the production was 52,305,000 cwt. The quantity unmerchantable in 1932 was 3,581,000 cwt., as compared with 5,634,000 cwt. in the previous year. Exports of potatoes totalled 1,117,000 cwt. in the year ended Mar. 31, 1933, as against 2,834,000 cwt. in the year 1931-32. At Mar. 31, 1933, there remained in farmers' hands 11,880,000 cwt. as compared with 21,935,000 cwt. at the same date in 1932.

The Live Stock Survey. Values and numbers of live stock in Canada have already been given in the introduction to this Section. According to the *Report of Live Stock and Animal Products Statistics* (issued in August, 1933), prices of live stock and meats reached a modern low in 1932 and stock-yard sales of cattle, calves and sheep fell off; hogs alone increased in volume of marketings. The average sales of cattle were 569,633, at an average price of \$3.60 (1931: 646,422 at \$4.30); calves, 300,176 at \$4.00 (1931: 307,082 at \$5.40); hogs, 1,212,821 at \$3.95 (1931: 1,084,582 at \$6.25); and sheep and lambs, 465,034 at \$4.80 (1931: 527,102 at \$6.40). Slaughterings in inspected establishments showed a decreased number of cattle and sheep, but an increased number of calves and swine. The totals for 1932 and 1931 were as follows: cattle, 553,142 (592,036); calves, 383,449 (371,076); sheep, 788,222 (820,891); and swine, 2,722,825 (2,242,765). The total value of all products of packing houses and abattoirs was \$117,596,697 in 1931 as against \$164,029,953 in the previous year. The consumption of meats in Canada during 1932 was estimated at 1,626,000,000 lb., an increase of 86,000,000 lb. over the

previous year's estimate. Beef and mutton figures showed decreases and pork figures an increase. The *per capita* consumption of meats was estimated at 154.78 lb. for 1932 against 148.46 lb. in 1931. The *per capita* consumption of beef was 56.02 (57.93) lb.; pork 91.79 (83.49) lb.; mutton and lamb 6.97 (7.04) lb.; the figures within brackets are those for 1931.

The Canadian foreign trade situation with regard to live stock and animal products was very discouraging during 1932. The United States cattle market remained practically closed to Canada by prohibitive tariff rates and the British market was more or less cut off by the unfavourable exchange rate. In the year 1931, 28,149 head were exported to Great Britain, as compared with 16,568 head in 1932. Exports of sheep continued to decrease and the number of hogs exported, though greater than in 1931, was still very small. In spite of the unfavourable export situation and the low prevailing prices for meats, exports of pork which had been falling steadily since 1925 showed the first upward tendency and increased in value by over \$2,000,000; beef and mutton exports also registered small increases. Exports of beef in 1932 totalled 4,466,400 lb. valued at \$383,526 as against 3,756,700 lb. valued at \$435,186 in 1931; exports of pork totalled 46,061,200 lb. valued at \$4,705,216 as against 17,538,400 lb. valued at \$2,624,099; and exports of mutton and lamb were 348,100 lb. valued at \$47,567 as against 332,700 lb. valued at \$57,673. The bacon *quota* established in the United Kingdom during the year encouraged the sale of Canadian bacon and was a large factor in the increased exports of bacon and pork products registered.

On the same ground and because of the removal of the Canadian cattle embargo by the United Kingdom, hopeful expectations of the meat trade for 1933 were expressed in the *Thirteenth Market Review*, 1932 (by P. E. Light; published by the Department of Agriculture and issued in 1933). The first quarter of 1933 showed an increase in export volume, in both cattle and bacon, over the same period of 1932, and it was stated as probable that bacon exports to Great Britain would be doubled in that year.

The Dairy Industry. The quantity of milk delivered to the dairy factories in 1932 totalled 2,267,256,326 lb. (approximately 226,725,633 gal.), an increase over the preceding year of 0.6 per cent., according to the final Report on Statistics of Dairy Factories, issued by the Dominion Bureau of Statistics in February, 1934. Of this amount 52 per cent. went to the cheese factories, 25 per cent. to the creameries (exclusive of Quebec), 12 per cent. to the combined butter and cheese factories, and 11 per cent. to the concentrated milk plants. The amount of cream received at the dairy factories, measured according to butter fat content, totalled 177,781,613 lb., 3 per cent. less than 1931. The equivalent in milk of the total deliveries of milk and cream to the dairy factories during the year 1932 was approximately 7,432,445,269 lb., which brought a total revenue to the patrons of \$51,755,921, a decrease of 21 per cent. from the previous year.

The production of creamery butter in Canada during the year 1932 amounted to 214,002,127 lb., valued at \$40,475,479. Compared with the preceding year a decrease of 11,953,119 lb. was shown in the quantity of butter made and of \$9,723,399 in the value. This was the second largest output in the history of the industry, exceeded only by the 1931 production. The average price per lb. in 1932 was 18.91 cents, compared with 22.22 cents in the previous year, the lowest price recorded for any year since 1900.

The output of factory cheese in 1932 totalled 120,524,243 lb., valued at \$11,379,922, compared with 113,956,639 lb., valued at \$12,824,695 in 1931. The average price per lb. in 1932 was 9.44 cents, as against 11.25 cents in the preceding year. The 1932 average was the lowest price recorded in any year since 1900. Ontario, the largest cheese-producing Province, had a total of 86,954,902 lb. or 72 per cent. of the total output of Canada. Quebec came second with a total of 29,361,119 pounds.

The value of concentrated milk products, including condensed milk evaporated milk, milk powder, etc., totalled \$5,952,947 in 1932, a drop from

\$7,067,807 in the previous year. Miscellaneous factory products, the principal items of which were milk and cream sold, and ice cream, had a total value in 1932 of \$28,297,454, as compared with \$34,391,020 in 1931. The total output of the 2,734 dairy factories in operation was valued at \$86,105,802 as against \$104,482,400 in the previous year. There were 1,219 creameries, 1,172 cheese factories, 317 combined butter and cheese factories, and 26 concentrated milk plants. The total number showed an increase of 32 compared with 1931.

Total exports of Canadian dairy products in 1932 were valued at \$11,861,735 as compared with \$15,235,541 in 1931. The principal item was cheese, which had a total export of 86,939,900 lb., an increase of over 2,000,000 lb., 96 per cent. of which was sent to the United Kingdom; the export of evaporated milk was double that of 1931, but butter, condensed milk and milk powder recorded a decrease. Canadian imports were comparatively small, having a total value of \$407,439 as against \$1,329,126 in 1931. The main item was cheese, with a total of 1,166,506 lb. The import of butter decreased from 2,821,317 lb. in 1931 to 238,145 lb. in 1932. Employees in the industry numbered 11,908 for the year, with salaries and wages of \$11,219,366; the 11,965 employees in 1931 earned \$12,259,926.

The Annual Meeting of the National Dairy Council was held at Toronto, on Apr. 5-6, 1933. By way of economy the Annual Report of the Council for the year 1932 was not printed for distribution. The President stated that a budget of over \$13,000 was needed for the year 1933 and the Provincial Dairy Organizations were especially requested to facilitate the collection and forwarding to the Council office of the allotted funds. Resolutions adopted at the Meeting were: to lend its efforts to equalize the value of the farmers' products with the costs of other factors; to recommend to the Provincial Boards of Health and the Health Departments of the larger cities, for study, the question of zoning the cities' milk supply; to recommend to all Provincial Governments the putting into effect of some plan of bonding purchasers of milk for the protection of producers; to urge that all milk, cream and butter handled by retail stores should be sold at waggon prices; to urge the Ministers of Agriculture of the various Provinces to issue licences to cheese and butter factories very sparingly; to ask the Dominion and Provincial Dairy Commissioners to investigate and give consideration to retail butter being sold on Grade; to record their approval of the plans outlined by the Dominion Dairy Commissioner for the betterment of the dairy industry through increased exports of cheese, condensed and evaporated milk; to thank the Dominion Government for the efforts taken to protect the interests of the Canadian butter industry and to urge the consideration of further protection; to give leadership in a movement to overcome the purchase of relief milk from dairies not legitimately in the retail milk business and from producers who were not members of the Producer Association. The new Secretary-Manager, Allan C. Fisher, appointed to succeed W. F. Stephen who had resigned, drew attention to the evidence of the Dominion Dairy Commissioner before the House of Commons Select Standing Committee on Agriculture in February, 1933, when he credited the National Dairy Council with being a contributing factor in the substantial increase in *per capita* consumption of dairy products in Canada. The President, W. H. Forster, and the Vice-President, P. C. Colquhoun, were both re-elected.

Poultry and Eggs. The estimated total *per capita* consumption of poultry in Canada amounted to 10.86 lb. in 1932 as compared with 10.87 lb. in 1931. The estimated dressed weight of hens and chickens was 81,759,750 lb., the estimated exports, 898,699 lb. making a consumption *per capita* of 7.87 lb. compared with 8.02 lb. in the previous year. Turkeys had an estimated dressed weight of 19,424,340 lb. and estimated exports of 1,000,000 lb. with a consumption *per capita* of 1.75 lb. as against 1.67 lb. in 1931. The estimated dressed weight of ducks totalled 4,285,215 lb. and of geese, 8,670,600 lb., the consumption *per capita* being .41 lb. and .83 lb. respectively. (For total numbers and values of farm poultry, see Sub-Section: "Agriculture: Values and Production").

The total production of farm eggs for the year 1932 in Canada (*Agricultural Statistics*, April, 1933) was approximately 229,461,000 doz. as compared with 237,131,000 doz. in 1931. The estimated total value amounted to \$29,-830,000, as against \$40,312,300 in the previous year. Egg-producing hens on farms totalled 24,806,600 in 1932, and 25,407,000 in 1931. The average price for eggs per dozen for the Dominion was 13.2 cents, as compared with 17.2 cents in the preceding year. These estimates relate only to hens' eggs produced on farms and do not, therefore, include eggs of urban poultry or eggs of farm turkeys, ducks, etc.

Fruit, Floriculture, Honey, Maple Syrup and Sugar. The final Report of the estimated production and value of commercial fruits and floriculture in 1932, as compared with the finally revised estimate for 1931, was issued by the Dominion Bureau of Statistics in June, 1933. Comparative figures are shown in the accompanying table. Fruit crops developed unevenly throughout Canada in 1932. Most favourable conditions were experienced in British Columbia, and fruit crops generally matured with relatively little damage. In the Maritime Provinces, Quebec and Ontario, however, the growing season was unfavourable in many ways and resulted in reduced yields. The estimated total value of the commercial fruit production of Canada in 1932 was \$10,222,707 as compared with \$14,616,443 in 1931. The total values by Provinces were: Nova Scotia, \$1,470,500 (1931: \$2,956,-865); New Brunswick, \$165,200 (1931: \$206,050); Quebec, \$630,250 (\$911,545); Ontario, \$3,194,300 (\$5,894,017); British Columbia, \$4,617,657 (\$4,647,966).

	1932		1931	
	Quantity	Value	Quantity	Value
Pears	394,268 bush.	\$ 339,135	399,821 bush.	\$ 464,733
Plums and prunes	211,750 "	189,425	224,621 "	234,930
Peaches	793,750 "	834,500	882,413 "	1,172,527
Apricots	41,823 "	119,196	48,732 "	104,841
Cherries	242,531 "	432,848	238,487 "	574,214
Strawberries	23,909,752 qts.	1,427,767	17,543,656 qts.	1,755,235
Raspberries	7,416,512 "	690,017	5,723,473 "	842,106
Grapes	49,000,000 lbs.	671,300	51,363,240 lbs.	835,803

The total production of commercial apples in Canada for the year 1932 was estimated preliminarily at 2,789,477 bls. of the value of \$5,518,519, as compared with 3,793,052 bls., of the value of \$8,632,014, the finally revised estimate for 1931. The average value per barrel in 1932 was \$1.98 as against \$2.28 for the previous year. The total sales of nursery fruit stock in Canada for the year ended May 31, 1932, amounted to \$233,790, as compared with \$269,906 in the preceding fiscal year.

The total value of the floricultural and decorative plant production of Canada during the year ended May 31, 1932, was \$1,607,096, of which amount \$1,093,927 was for cut flowers sold—68 per cent. of the total.

The eleventh Annual Meeting of the Canadian Horticultural Council was held at Ottawa, on Feb. 14-16, 1933. The Secretary reported that during the year the most significant effort of the Council had to do with the Imperial Economic Conference and their advocacy for enlarging Empire trade, particularly with regard to fruit; that a meeting was called in November of growers of fruits and vegetables in Ontario, shippers, wholesale dealers and commission agents, to discuss wider and better control of marketing and consequent larger returns; that an extensive campaign towards the greater beautification of Canada had been sponsored; and that through the Saskatchewan Relief Commission flowers and plants had been distributed to a large number of persons in the rural districts of Saskatchewan who were financially unable to buy them. Resolutions adopted at the Meeting dealt with the following: certain Amendments to the Fruit and Root Vegetables Acts; new grades of apples; specifications for barrels; prohibition of immature fruit; appointment of fruit inspectors in Ontario; inquiry into the practicability of membership in the British Empire Producers' Federation; uniform grades and standard packages; the investigation of the question of trucking-pedlars;

the study of ocean stowage conditions; the cancellation of the drawback of duty regulation on fruits and vegetables; an effective policy of apple maggot control; the discontinuance of certain market reports by the Dominion Government; the bonding of commission merchants; the Australian embargo on apples; the reduction of express rates; freight rates; tariffs; disparity between the Canadian dollar and the pound sterling; marketing legislation. The medal of the Canadian Horticultural Council was awarded to E. F. Palmer, Vineland, Ont., for his extensive work in regard to the origination of peaches and gladioli. The following officers were elected for the ensuing year: President, R. H. Macdonald, Vernon, B.C.; 1st Vice-President, E. H. Johnson, Greenwich, N.S.; 2nd Vice-President, W. J. Tawse, Montreal. L. F. Burrows was re-appointed Secretary-Treasurer at a subsequent meeting of the Executive.

The total production of honey in Canada in 1932 amounted to 20,628,934 lb. valued at \$1,651,175, as compared with 29,666,097 lb. valued at \$2,245,580 in 1931. The value per lb. of all honey averaged 7.6 and 8 cents in the years 1931 and 1932. Marked decreases in production in 1932 were shown in all the Provinces with the exception of Prince Edward Island where a slight increase was indicated. The total exports of 2,298,350 lb. of honey in 1932, at a value of \$193,013, showed decreases of 11.2 per cent. in quantity and 14.5 per cent. in value from 1931. Imports of honey into Canada were relatively small, amounting to 17,915 lb. at a value of \$2,653 in 1931 and 21,124 lb. at a value of \$1,912 in 1932.

The estimated production of maple sugar in Canada in the 1933 Spring season was 5,785,130 lb. valued at \$499,713 and of maple syrup 1,262,315 gallons valued at \$1,559,628; the combined total value of the industry being \$2,059,341. The season was generally late and short in the Maritimes and the flow of sap was also curtailed in Ontario and Quebec. Low prices discouraged tapping of many trees.

According to a *Summary of Sugar Reports, 1932*, stocks of raw sugar on hand at Dec. 31, 1932, amounted to 109,096,802 lb., receipts for 1932 were 865,211,397 lb., and meltings and shipments, 854,402,512. Refined sugar on hand, Dec. 31, 1932, was 188,834,394 lb., the quantity manufactured (cane and beet)—granulated—during the year, 858,841,865 lb., and the quantity of yellow and brown manufactured, 97,447,389 lb.; the total refined sugar (cane and beet) manufactured was 956,289,254 lb., and total shipments, 936,716,514 lb. A slight increase in stocks on hand, and in meltings and shipments (except of refined sugar) was apparent. Other figures showed decreases.

Tobacco. The Canadian tobacco crop in 1932 had an estimated yield of 54,094,000 lbs. from 54,138 acres as compared with the 1931 yield of 51,300,000 lb. from 55,060 acres. The value, however, decreased from \$7,177,540 in 1931 to \$6,088,300 in 1932. The average yields per acre in pounds in 1932 were: Ontario, 1,014 (1931: 945); Quebec, 953 (865); and British Columbia, 746 (513). The average prices in cents per pound were: Ontario, 12 (15); Quebec, 4 (5); and British Columbia, 15 (15). The increase in the production of bright-flue-cured tobacco both in Ontario and British Columbia was again the outstanding feature of the 1932 season. In Ontario the flue crop was one of the finest on record, over 90 per cent. of the crop having been primed as compared with not more than 10 per cent. in 1931. The fall in the price of sterling together with the increased crop were important factors in the decrease in prices. Increased export orders coupled with the promise of Provincial support to the growers steadied the market and prices reacted upwards toward the end of 1932.

Fur Farms and Fur Production. The number of fur farms in operation in Canada in 1931 (according to the *Monthly Bulletin of Agricultural Statistics* for August, 1933) was 6,541, an increase over the previous year's figure of 6,524. The value placed on the property at the end of the

year 1931 was \$15,592,348, comprising \$7,095,111 for the value of the land and buildings, and \$8,497,237 for the value of the fur-bearing animals on the farms. In 1930 the value of land and buildings had been \$8,583,346. The number of farms and the value of property were divided among the Provinces as follows: Prince Edward Island, 648, \$983,609; Nova Scotia, 621, \$269,587; New Brunswick, 753, \$451,417; Quebec, 2,043, \$1,314,061; Ontario, 1,218, \$1,687,221; Manitoba 311, \$508,585; Saskatchewan, 204, \$723,311; Alberta, 319, \$663,098; British Columbia, 412, \$470,922; Yukon Territory, 11, \$23,300, and North-West Territories, 1 farm (no value given). The revenue derived by the farms from the sale of live animals and of pelts during the year was \$3,563,460, the value of pelts sold contributing 86 per cent. of the total. The revenue derived in 1930 was \$4,924,815. There was a considerable increase over the preceding year in the number of pelts sold, but owing to low prices paid for all kinds of furs the total value showed a decrease. Silver fox was the principal item in the sale of pelts, with a total of 95,851 skins, at a value of \$2,835,470.

The raw fur production of Canada in the twelve months ended June 30, 1932, had a total value of \$10,189,481, compared with \$11,803,217 in the preceding season. These totals comprised the values of pelts of fur-bearing animals taken by trappers and pelts from the fur farms, the value of the latter representing 30 per cent. of the whole in the season 1931-32, and 26 per cent. in 1930-31. Silver fox retained the place it held in the two preceding years as the most important of the Canadian fur-bearers, with a production valued at \$3,089,818, or 30 per cent. of the total of all kinds. Muskrat came second with a value of \$1,403,993 and white fox, third, with \$1,373,809. Among the Provinces, Quebec came first in the order of production with \$2,334,262, Ontario second with \$1,857,452; Saskatchewan and the North West Territories were third and fourth respectively, with production worth over one million dollars.

Canada's Forests and Forest Products Industries

The total area covered by forests in Canada was estimated at 1,153,000 square miles by the Dominion Bureau of Statistics in 1933; of this area, 26,252 square miles consist of occupied agricultural land still forested. A considerable area, it was stated, was agriculturally valuable and would probably be eventually cleared. Of the whole area covered by forests 1,100,000 square miles are essentially forest land best suitable for forest production. 791,670 square miles are accessible and productive, including 378,945 square miles of merchantable timber and 412,725 square miles of young growth, potentially merchantable timber if protected from fire. The remaining area of 361,330 square miles of forests is considered commercially non-productive, because of their location or growth conditions. Of the accessible and productive forest area, 481,790 square miles was producing softwood or coniferous timber, 213,590 square miles, mixed softwoods and hardwoods and 96,290 square miles, hardwood or broad-leaved species. Of the 8.4 per cent. of the total forest area permanently dedicated to forest production some 33,023 square miles were national forests till the transfer of the Natural Resources to the Western Provinces in 1930, when they became largely Provincial forests. Only 9.6 per cent of the total forest area, owned by private individuals and corporations, were permanently alienated, leaving 90.4 per cent. in the hands of the Crown.

The latest available estimates (issued by the Forestry Branch, Dominion Bureau of Statistics, April, 1933) placed Canada's forest resources at 267,733 million cu. ft. of standing timber, capable of yielding 448,255 million ft. board measure of sawn lumber and 1,528,767 thousand cords of pulpwood, ties, poles and other smaller materials. The total forest production in 1931, it was estimated, involved the cutting of 2,306,143,706 cu. ft. of standing timber. To this annual depletion for use must be added the volume of material annually destroyed by fire which exceeded 230 million cu. ft. of merchantable

timber and the young growth on 550,000 acres. The added destruction of at least 700 million cu. ft. annually by insects, fungi and windfall brought the drain on forest resources in 1931 to considerably more than 3,236 million cu. ft. It was stated that such an annual depletion of the total resources did not imply that the supply would be exhausted in 83 years. Duration of the supply could not be easily estimated because of the fluctuating rate of utilization and the rate of destruction from fires and other agencies. Fire damage in the previous few years had been materially reduced owing to favourable weather conditions and improved methods of detecting and fighting forest fires. Credit was also due to the general public and various organizations for their greater co-operation in fire prevention and forest conservation measures. The application of scientific forest management was suggested as a means of stimulating annual growth.

In the estimate of the value of forest products pulpwood headed the lists for 1931, the amount produced being worth over \$51,000,000. Pulpwood production had also the greatest value in Nova Scotia, New Brunswick, Quebec and Ontario. Firewood came second in value in the Dominion, exceeding \$44,000,000, and first in Prince Edward Island, Manitoba, Saskatchewan and Alberta. Logs and bolts, worth more than \$32,000,000, were the third most valuable production in the Dominion as a whole and also in British Columbia. Hewn railway ties worth over \$4,000,000; poles, over \$3,000,000 and posts, over \$1,000,000 were among the more valuable of the other items. The total estimated value of all these forest products was \$141,123,930, a decrease of 31.8 per cent. over the estimated value for 1930. Compared on the basis of equivalent volume of standing timber, firewood headed the list for the Dominion, and was the largest item in Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan and Alberta. Pulpwood was the second largest item, heading also the lists in Nova Scotia and New Brunswick.

The Province of Quebec led in value and volume of forest production, and also in the quantity production of pulpwood, square timber, fencing materials and miscellaneous products; it held second place in the production of logs, firewood and wood for distillation. Ontario came second in total value and volume of production, led in firewood and wood for distillation, and was in second place in the production of ties, pulpwood and poles. British Columbia came third on the list, leading in the production of logs, bolts, hewn ties and poles; and came second in round mining timber.

Operations in the woods in Canada during 1931 were estimated as costing \$198,000,000 in logging equipment, most of it being employed in British Columbia. These operations gave employment for a part of the year to more than 52,000 men and distributed over \$37,000,000 in wages and salaries. Out of the total of more than 2,306 million cu. ft. of standing timber cut in 1931 about 93.6 per cent. was retained in the country for immediate use or as raw material for industry, and 6.4 per cent. was exported in a more or less unmanufactured form. The total value of capital invested in the wood and paper group of industries was \$1,053,064,435; employees numbered 121,672 and were paid \$140,349,106 in wages and salaries. The net value of production or value added by manufacture was \$291,858,015 and the gross value, \$484,237,930. 19 per cent. of the pulpwood cut was exported before being manufactured into pulp; 83 per cent. of this exported material was rossed or barked pulpwood whose value was considerably increased by this preparation before exportation. 81 per cent. of the total cut of pulpwood was used as the principal raw material in the pulp and paper industry, the most important of all the manufacturing industries in Canada. The value added to the raw pulpwood by pulpmaking amounted to over \$34,000,000 in 1931. 19 per cent. of this pulp was exported; the remainder was made into paper, adding a value of over \$76,000,000. The value added by manufacture in the pulp and paper industry as a whole was over \$110,000,000. A total of 2,171,108,183 cu. ft. of home-grown and imported forest products valued at \$129,198,337 were consumed in

Canada in 1931, including wood consumed in the form in which it was taken from the woods, and wood used as raw material in Canadian industry.

The Report of the Manager (Robson Black, Montreal) of the Canadian Forestry Association, for the year 1932, stated that the thirty-second year of the Association, while beset with difficulties, was nevertheless, a period of constructive educational service. Lacking the financial resources which had previously permitted the conducting of lecture programmes in Eastern Canada and being compelled to curtail other productive undertakings, the energies of the Association were diverted into alternative channels that gave sound results at a minimum of cost: the obtaining of large concessions of space in 250 daily and weekly newspapers; the drawing of fish and game clubs within the zone of the Association's influence owing to the newly developed willingness of these organizations to adopt forest fire protection as one of their club objectives; the maintaining of the radio broadcasting service; the further enlisting of Junior Forest Wardens, who numbered 3,700 at the end of 1932; and the continuing of work in the schools. The tree planting campaign on the Prairies, in completing its thirteenth consecutive year, had covered 66,740 miles, with a total of 3,868 meetings and an attendance of 488,773; during 1932 the attendance totalled 41,904 at their 329 meetings. The Association's membership stood at 16,045 at the close of 1932, representing in individual paid membership an increase in Alberta, Saskatchewan, Manitoba and Ontario and a decrease in the other Provinces. The 1931 Membership of 28,000 had included a count of 6,000 readers of the Association's French magazine which had been suspended and certain bulk subscriptions for schools which were unobtainable in 1932. Owing to the heavy decline in income in 1932 the indebtedness carried forward from the previous year was not reduced substantially, notwithstanding the efforts put forward in every direction to curtail expenditure. The net revenue for 1932 was \$52,928 and expenditures, \$50,670. The most rigorous limitation of outlay and the fullest effort to develop new sources of support were planned for the year 1933.

The Lumber Industry. According to the Preliminary Report of the Lumber Industry for 1932, issued in January, 1934, the cut of lumber in Canada was considerably less than it had been since 1908, the first year of collection of accurate statistics. The total value of all products decreased from \$62,927,750 in 1931 to \$38,506,647 in 1932, a decrease of 39 per cent. There were decreases in both quantity and total value of all principal products except shingles, and all but a few of the secondary products. Sawn lumber production amounted to only 1,809,884 M f.b.m. valued at \$26,881,924 in 1932 as compared with 2,497,533 M f.b.m. valued at \$46,136,340 in 1931. The average value of all kinds of lumber decreased from \$18.47 in 1931 to \$14.85 in 1932. Prepared pulpwood came second in importance with 414,037 cords valued at \$4,202,761 in 1932, as against 615,853 cords valued at \$6,968,413 in the previous year. The production of shingles increased from 1,453,277 M valued at \$3,331,229 in 1931 to 1,802,008 M valued at \$3,556,823 in 1932. Sawn ties numbered 1,547,683 in 1932 and were valued at \$634,481; lath produced was 208,321 M at \$474,889. There were 3,593 mills in operation in 1932, an increase of 31 over 3,562 in 1931. The 3,311 mills reporting lumber in 1932 had an average annual output of 547 M f.b.m., while in 1931 the 3,330 mills reporting the same product had produced an average of 750 M f.b.m. The total number of employees in all mills decreased from 22,361 in 1931 with wages and salaries of \$16,409,674 to 18,285, who were paid \$10,761,090 in salaries and wages in 1932. The capital invested in the industry decreased from \$121,336,176 in 1931 to \$80,796,425 in 1932; the cost of fuel amounted to \$287,402; electricity purchased, \$123,105; raw materials, \$23,405,576; and the value added by manufacture was \$15,101,071. British Columbia headed the list in the production of sawn lumber and shingle. Quebec came first in lath production and in the preparation of pulpwood. The production of lumber in 1932 increased in Alberta and Prince Edward Island, but decreased in all other Provinces.

The Pulp and Paper Industry. The pulp and paper industry, the most important manufacturing industry in Canada, headed the lists in 1932 for gross and net values of manufactured products and also, as it had every year after 1922, for the total number of employees and distribution of wages and salaries. The gross value of production (manufacturing only), according to the preliminary Report issued in October, 1933, by the Dominion Bureau of Statistics, Forestry Branch, was \$135,634,983, a decrease of 22 per cent. over 1931. The value represented the sum of the values of pulp made for sale in Canada, pulp made for export and paper manufactured, excluding pulpwood and pulp made in combined pulp and paper mills for their own use in making paper. The net value of production for the year was \$86,673,512, as compared with \$110,786,276 in 1931. There was a net loss of 5 establishments from 1931 to 1932.

The 72 mills manufacturing pulp produced 2,663,248 tons valued at \$64,412,453 as compared to 3,167,960 tons in 1931 valued at \$84,780,809. Of the total for 1932 the combined pulp and paper mills produced 2,097,328 tons valued at \$42,879,294 for their own use in paper-making. A total of 108,233 tons valued at \$4,006,416 was made for sale in Canada and 457,687 tons valued at \$17,526,743 were made for export. The 70 mills making paper in 1932 produced 2,290,790 tons of paper valued at \$114,101,824 as compared to 2,611,225 tons in 1931 valued at \$143,957,264. Newsprint paper made up 83.8 per cent. of the total reported tonnage of paper made in 1932, and was valued at \$85,539,852, a decrease of 13.8 per cent. in tonnage and 23.2 per cent. in total value. The total capital invested in the manufacturing part of the industry was \$597,597,417 as compared to \$630,176,540 for 1931; employees numbered 24,557 with a total payroll of \$28,334,402 as against 26,669 in 1931 with salaries and wages of \$34,792,013.

Exports of paper goods and paper, chiefly newsprint, in 1932 were valued at \$86,323,539, as compared to \$111,114,042 in 1931; of this total 1,776,764 tons of newsprint paper worth \$82,966,199 were exported chiefly to the United States, a decrease over the export of 2,008,240 tons valued at \$107,233,112 in 1931. The total value of paper and paper goods imported was \$6,790,363, a decrease from the preceding year. The gross contribution of the industry toward a favourable trade balance amounted approximately to \$102,559,435; in 1931 it had been \$139,844,298.

The 20th Annual Meeting of the Canadian Pulp and Paper Association was held in Montreal, Jan. 27, 1933. In his address the President, Harold Crabtree, discussing the condition of the pulp and paper industry, said that the previous year had been one of great difficulty, with business and prices both at low levels. Newsprint had suffered most severely. Low prices, reduced demand, and severe competition from European countries, aided by depreciated currencies, had affected the manufacture of wood pulp. The President noted that the imports of 1932 were less, except those from Great Britain, which had slightly increased, and added that the development of new grades of paper, formerly imported, had benefited the mills. He stated that although "it is believed that the preferences granted to Canadian products in many Empire markets will eventually prove beneficial, the difficulties of exchange and depreciated currencies present serious obstacles to any immediate benefit so far as our particular industry is concerned." In spite of a considerable decrease in revenue, the Association had a surplus for 1932 of \$1,725. Mr. Crabtree warned the members that the "deplorable condition" of a large part of the industry, though caused primarily by over-expansion, was caused also by lack of co-operation which had "resulted in prices being depressed below a sound economic level." The officers elected for 1933 were: President, Harold Crabtree and Secretary, A. E. Cadman, Montreal.

**Statistics of Canada's Principal Forest Products Industries
(not included in List of 40 Leading Industries)**

(1931—Preliminary)	No. of Plants	Capital Employed	Average No. of Employees	Value of Products
Box, Basket and Crate.....	131	\$ 9,545,101	3,027	\$ 7,230,476
Carriage and Wagon.....	247	4,068,077	755	1,927,132
Cooperage	73	1,986,815	508	1,954,192
Engraving, Stereotyping and Electrotyping. and Blue Printing.....	75 19	9,189,817 237,219	2,518 93	7,398,042 319,386
Hardwood Flooring	26	7,946,536	1,503	4,589,716
Lithographing	43	15,367,519	2,965	11,135,421
Miscellaneous Paper Goods.....	74	13,825,055	2,387	12,101,568
Miscellaneous Wood-Using	114	12,517,180	1,828	7,820,173
Sporting Goods	24	1,678,813	516	1,582,361
Stationery and Envelope.....	40	6,056,962	1,535	6,360,772
Trade Composition	28	742,382	236	627,953
(1932—Preliminary)				
Box, Basket and Crate.....	129	9,099,408	2,872	5,688,839
Coffin and Casket.....	37	3,909,852	777	2,444,673
Engraving, Electrotyping and Stereotyping.	77	8,888,031	2,178	6,037,866
Handle, Spool and Wood-Turning.....	34	1,422,887	466	901,173
Hardwood Flooring	23	5,240,932	1,097	2,890,522
Last, Tree and Shoefinding.....	11	1,218,736	530	1,198,424
Lithographing	41	12,076,978	2,467	8,585,289
Roofing Paper	11	5,244,999	472	3,677,994
Sporting Goods	30	1,649,186	488	1,272,549
Trade Composition	31	915,842	280	609,539
Woodenware, Manufacture of.....	20	1,238,310	638	924,074

Mining and Metallurgical Industries in 1932 and 1933

Issued by the Dominion Bureau of Statistics, in December, 1933, final statistics on the Canadian mineral-producing industries—operating mines, smelters, refineries, oil and gas fields, clay products plants, cement mills, sand and gravel properties, and stone quarries—revealed a total capital investment of \$685,211,573 in 1932. The entire mining industry afforded employment to 61,470 persons who received in salaries and wages, \$71,772,049. Net sales of mineral products representing proceeds from sales and the value added by smelting operations, amounted to \$196,578,211, as against \$238,169,809 in 1931. Of the major groups in the industry, metal mining reported 330 active operations with a capital investment of \$269,180,464, 21,931 employees, \$34,983,704 in salaries and wages and \$119,790,072 in income from sales as against \$118,524,439 income in 1931; gold mining was the only member of this group to record an increase in returns over those for 1931. Sales income of non-metal mining, including fuels, amounted to \$54,389,856 in 1932; and of clay products and other structural materials, \$22,398,283.

Canadian gold production in 1932 established a new high record for the Dominion and for the third consecutive year placed her in second position among the gold-producing countries of the world. Gold constituted the most valuable mineral output in Canada, having first surpassed coal production in value in 1931. Production of gold from all sources amounted to 3,051,676 fine oz. valued at \$63,083,740, as compared with 2,693,892 fine oz. valued at \$55,687,688 in 1931. Ontario had the highest production, 2,287,394 fine oz., chiefly obtained from the Porcupine area and Kirkland Lake; Quebec came second with 401,105 fine oz.; British Columbia, 199,004 fine oz.; Manitoba, 122,507; Yukon Territory, 40,608; Nova Scotia, 964; Alberta, 83; Saskatchewan, 11. It was stated by the Department of Mines, Ottawa, that " . . . the precambrian shield is not only our present greatest reservoir of the precious metal, but in all probabilities the most fruitful region for discovery of new deposits."

The total primary production of silver in 1932 amounted to 18,349,450 fine oz. valued at \$5,811,569. Silver held fourth place among Canadian metals in value. Most of the output was from the O'Brien mine, Cobalt; Miller Lake O'Brien mine, Gowganda; and the properties of the Mining Corporation

of Canada. Mining operations at the Nipissing mine were discontinued about Mar. 1, 1932, owing to low prices, although certain unimportant silver ore still remained in the mine. Prices were almost unprecedentedly low, ranging on the New York Exchange from a high of 30.136 cents per fine oz. for the February average to a low of 25.010 for December. The average yearly price of silver, in Canadian funds, computed from daily New York quotations was 31.67163 cents per troy oz. Shrinkage in demand from the Orient was estimated to be the cause of low prices.

The copper production of Canada for 1932 was 247,679,070 lb. valued at \$15,294,058 as compared with 292,304,390 lb. worth \$24,114,065 in 1931 and 303,478,356 lb. at \$37,948,359 in 1930. The price of copper was lower in 1932 than in any previous year; the average for the year in New York was 5.555 cents per lb., the price ranging from 7.060 cents in January to 4.813 cents in December. In London the average price, in Canadian funds, was 6.3802 cents per lb.

Nickel output in Canada during 1932 amounted to 30,327,968 lb. valued at \$7,179,862 as compared with 65,666,320 lb. worth \$15,267,453 in 1931 and 103,768,857 lb. at \$24,455,133 in 1930. These figures include the nickel in matte exported by the International Nickel Company of Canada Ltd, and the Falconbridge Nickel Mines, Ltd; and refined metallic nickel and nickel in nickel oxides and salts made by the International Nickel Co. at Port Colborne, Ont. The decline of 53.8 per cent. in volume and 53.0 in value from the preceding year represented by the 1932 production was consistent with the falling-off in other industries. Nickel alloy steels were stated to have a greater use than ever before. The capital employed by the nickel-copper mining and refining industry in Canada during the year 1932 was \$78,188,204 as compared with \$76,702,948 in 1931; the number of employees, 2,406 at total salaries and wages of \$3,920,595, as compared with 4,300 at \$7,004,403 in 1931.

Canadian output of lead, from Ontario, British Columbia and the Yukon, in 1932 totalled 255,947,378 lb. valued at \$5,409,704 as against 267,342,482 lb. at \$7,260,183 in 1931. The apparent consumption of metallic lead in Canada amounted to 28,665,566 lb. as compared with 50,020,000 lb. in 1931 and 60,285,000 in 1930. The average price of lead for the year in Canadian funds, based on daily quotations in London, was 2.1136 cents per lb.

The total amount of zinc production in Canada (from Manitoba and British Columbia) during 1932 was 172,283,558 lb. valued at \$4,144,454 as against 237,245,451 lb. worth \$6,059,249 in 1931. Apparent consumption of metallic zinc in the Dominion in 1932 totalled 8,688,643 lb. as computed from refinery sales, exports and imports, not including scrap or metal from held-over stocks; in 1931 the corresponding consumption was 33,924,000 lb.

Canadian asbestos production during 1932 showed a sharp decline, shipments falling to 122,977 tons valued at \$3,039,721 from 164,296 tons worth \$4,812,886 in 1931, a decrease of 37 per cent. in value and 25 per cent. in volume; compared with 1930 figures the decrease was 49 per cent. in tonnage and 64 per cent. in value. The average price for the year was the lowest in the history of the Quebec asbestos industry. The amount of capital employed among the seven firms of the asbestos mining industry in 1932 was \$30,081,362 as against \$40,164,005 in the previous year; the number of employees was 1,409 at total wages and salaries of \$1,156,315 as compared with 1,675 at \$1,836,115. The National Research Laboratories, Ottawa, prepared specifications, unanimously approved by the industry, for a standard testing machine for use in grading milled asbestos fibre.

Gypsum produced from Canadian deposits during 1932 amounted to 438,629 tons valued at \$1,080,379 as against 863,752 tons worth \$2,111,517 in 1931; these amounts indicated a decrease of 49.2 per cent. in quantity and, in value, 48.2 per cent., for which the small demand for building construction was responsible. Nova Scotia led the five gypsum-producing Provinces, with 341,508 tons; New Brunswick followed with 38,019 tons; Ontario, with 35,655 tons; Manitoba, with 12,719 and British Columbia, with 10,728 tons.

Salt production in Canada showed an increase of 1.7 per cent. in quantity and 2.3 per cent. in value in 1932, the year's output totalling 263,543 short tons worth \$1,947,551 as compared with 259,047 tons worth \$1,904,149 in 1931. Nova Scotia, Ontario and Manitoba were the producing Provinces. Their exports in 1932 were 5,627 tons, worth \$36,248. Imports, on the other hand, amounted to 102,033 tons valued at \$595,954. In the seven firms of the industry, the capital employed was \$3,805,008; the number of employees, 345, who received in wages and salaries, \$455,049.

Coal, Coke, Gas and Petroleum. Coal production in Canada during 1932 amounted to 11,738,913 short tons valued at \$37,117,695, a decline of 4.1 per cent. in quantity and 9.9 per cent. in value from the 1931 output of 12,243,211 tons worth \$41,207,682. The 1932 production comprised 7,714,279 tons of bituminous coal, 12.9 per cent. less than in the previous year; 560,902 tons sub-bituminous coal, 19.0 per cent. more; and 3,463,732 tons of lignite coal, 19.0 more. Four Provinces increased production during 1932: New Brunswick by 16.7 per cent., to 212,695 tons; Manitoba, slightly, to 1,552 tons; Saskatchewan by 33.8 per cent. to 887,139 tons; and Alberta by 6.7 per cent. to 4,870,648 tons. Nova Scotia mines produced 4,084,581 tons, a decline of 17.6 per cent.; British Columbia continued the yearly decline shown since 1928, 1932 production amounting to 1,681,490 tons, 10.4 per cent. below 1931; and the Yukon output declined 10.6 per cent. to 808 tons in 1932. Canada exported in 1932, 285,487 short tons. Imports of coal into Canada "entered for consumption" in 1932 amounted to 11,959,037 tons. Of this amount 3,138,157 tons were anthracite coal, of which 1,685,532 tons came from the United States; 1,399,086 from Great Britain; 52,189 tons from Germany and 650 from Belgium. 8,532,318 tons were bituminous coal, of which 8,170,248 tons were received from the United States, and 362,068 from Great Britain; 2,953 tons of lignite came from the United States. The coal mines gave employment in 1932 to 26,960 persons, who received a total of \$25,042,769 in wages and salaries. In addition to the 22,867,193 tons of coal consumed in Canada during 1932, 2,274,034 tons of coke were made available for use. Coke output was 1,637,701 tons; 15,469 tons were exported and 651,802 tons imported. The coal equivalent of the imported coke was 1,002,771 tons.

According to preliminary estimates, natural gas production in Canada during 1932, amounted to 23,875,978 M cu. ft., indicating a 7.7 per cent. decrease from the 1931 output of 25,874,723 M cu. ft. due to declining industrial demand and curtailed drilling activities in the Turner Valley field, Alberta. Alberta wells produced 67.0 per cent. of the total Canadian output in 1932; Ontario, 30.3 per cent.; and New Brunswick, 2.7 per cent.

According to a Report of the Dominion Bureau of Statistics, issued in January, 1934, on the Petroleum Industry, Canadian wells produced 1,044,412 barrels of crude petroleum in 1932 valued at \$3,022,592, a decline from the 1931 record of 1,542,573 barrels valued at \$4,211,674. This output was derived from Alberta, New Brunswick, Ontario, and the North-West Territories whose one well was re-opened in 1932 after having been capped since 1925; Ontario alone reported an increase. Companies operating and drilling oil wells in Canada during 1932 had a total capital employed of \$48,568,562; furnished employment to 655, who received \$776,163 in salaries and wages; and expended \$120,842 on fuel and electricity used.

The Non-ferrous Smelting and Refining Industry. According to a bulletin issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics, in June, 1933, the capital employed in non-ferrous metallurgical industry in 1932 was \$149,708,860; the number of companies engaged in it, 10; the number of salaried employees was 739, to whom a total of \$1,690,710 was paid in salaries; the number of wage-earners, 4,604, their wages amounting to \$7,088,260; the estimated cost of material treated, \$37,719,947; the value of smelter products, \$76,442,076; and the value added by smelting, \$38,722,129.

Noranda Mines Limited treated 918,567 tons of ore, concentrate and refinery slag and produced 63,422,518 lb. of anodes, the average analysis of which was 99.36 per cent. copper, 10.76 oz. gold and 19.54 oz. silver per ton. The material treated showed an increase over the 1931 figure of 765,544 tons. Outputs of copper, gold and silver all showed an increase. Canadian Copper Refineries Limited, a subsidiary, treated blister and anode copper produced at the Noranda Smelter together with blister received from the Hudson Bay Mining and Smelting Co. Ltd. of Flin Flon, Manitoba, and scrap or other secondary copper. Shipments of refined copper were made during 1932 to points in Canada and to the United States, England, France, Belgium, Germany, Sweden, Holland and Italy.

Operating until March three reverberatory furnaces, and subsequently two, the Copper Cliff Smelter of the International Nickel Company of Canada, Ltd. treated 336,215 tons of dry concentrates and produced 27,033 tons of bessemer matte and 27,770 tons of blister copper. In March, 1932, the Orford process plant was started at this smelter and treated 11,370 tons of bessemer matte, producing 6,651 tons of matte for refining at Port Colborne and 2,249 tons of blister copper. The Coniston, Ontario, Smelter, also of the International Nickel Company, operated from January to July, 1932, treated 90,606 tons of ore, and produced 9,679 tons of bessemer matte. The Port Colborne refinery of the same Company operated two electrolytic units from Jan. 1 till Aug. 1, 1932, and produced 14,125,388 lb. of nickel in the form of electrolytic cathodes and nickel in oxide.

During 1932 the Hudson Bay Mining and Smelting Company Ltd. smelted in the reverberatory furnace at Flin Flon 241,432 tons of Flin Flon ore and concentrates from which there was produced and shipped blister copper containing a total of 82,565 oz. gold, 943,417 oz. silver and 42,371,629 lb. of copper. In addition 23,711 tons of customs ore and concentrates were smelted. The electrolytic zinc plant of the Company treated 65,147 tons of zinc concentrate. The Consolidated Mining and Smelting Company produced in its Trail, B.C., plants during 1932, 253,237,783 lb. lead, 130,567,785 lb. zinc, 767,026 lb. copper, 5,522,366 lb. silver, 57 lb. bismuth, and 65,425 lb. cadmium.

The industry consumed during 1932, 91,171 tons of Canadian bituminous coal valued at \$505,790; 17,680 tons of imported bituminous coal worth \$102,716; 230,029 tons of coal for furnace charge alone, valued at \$1,675,067; 97,097 tons of coke for furnace charge, at \$957,159; 7,641,044 imp. gal. of fuel oil and diesel oil worth \$310,596; 978,784,118 k.w.h. of electricity valued at \$3,396,674 was purchased, and other fuels of lesser value were also used.

Mineral Production in 1933. According to a Preliminary Report issued by the Dominion Bureau of Statistics, for the six months ended June 30, 1933, the total estimated value of mineral production in Canada was \$83,258,871, a decrease of 12.5 per cent. from the finally estimated value, \$95,264,594, for the corresponding period of 1932. Metal production alone was worth \$52,056,493, as against \$54,092,915 for the six-month period of 1932; fuels, including coal, petroleum, natural gas and peat, totalled \$21,814,935, a decrease of 14 per cent. from the previous period; other non-metals, principally asbestos, gypsum, salt, quartz, magnesitic dolomite, sulphur and sodium sulphate amounted to \$3,409,601, a decrease of 11.4 per cent. The decline in the production of structural materials continued, reflecting decreased building operations; its value was estimated at \$5,977,842, as compared with \$11,879,889 in the corresponding six months of 1932. (See preliminary statistics for full year on page 389).

Prices of many of the metals showed an improvement over the 1932 "all-time low"; most noteworthy was the rise in the price of gold from an average of \$23.80 per fine oz. in Canadian funds during the first three months of 1933, to \$27.63 in May and \$28.19 in June. The last two prices were based on quotations in London, whither Canadian gold was shipped after the abandonment of the gold standard by the United States on Apr. 19, 1933. The price of silver per fine oz., New York market, rose from 25.400 cents in January to 35.663 cents in June, 1933. Hope of a higher price for silver was

entertained, conditional on the ratification of the silver agreement entered into during the Monetary and Economic Conference, July, 1933, by India, China and Spain as holders of large stocks or users of silver, and by Australia, Canada, the United States, Mexico and Peru as principal producers of silver. Copper rose from an average of 4.775 cents per lb. in New York in January and February, to 7.775 cents in June, 1933. The nickel, lead and zinc industries also showed improvement.

Gold production for the first six months of 1933 totalled 1,454,911 fine oz. worth \$30,075,678, valued at \$20.671834 per fine oz., as compared with 1,496,078 fine oz. worth \$30,926,683 in the corresponding six months of 1932. The enhanced price of gold during this period proved encouraging to the development of new properties and prospects formerly abandoned.

The amount of silver produced was 7,307,948 fine oz., worth \$2,539,563 as against 9,451,611 fine oz. worth \$3,108,191 produced during the first six months of 1932. Of the principal silver-producing Provinces, British Columbia, Ontario, Yukon, Manitoba and Saskatchewan, only Manitoba and Saskatchewan (combined) showed an increase over the previous period. (The output of the Hudson Bay Mining and Smelting Company, whose mine is situated on the boundary of the two Provinces, was credited entirely to Manitoba, in 1932, whereas in 1933 it constituted the Saskatchewan output). Yukon District had a considerably reduced output because of the closing-down in March of the mines at Mayo.

Copper production during the first six months of 1933 amounted to 129,096,724 lb., including copper in concentrates and matte exported, and copper in blister copper made at Canadian smelters, and was valued at \$8,332,600; these amounts indicated a slight reduction in quantity from the same period in 1932 and a slight increase in value. Saskatchewan was credited with production for the first time; this represented the copper mined in the part of the Flin Flon ore body lying in Saskatchewan. Nickel production at 22,802,434 lb., worth \$5,149,355, showed an increase in quantity over the first six months' production of 1932, 21,162,786 lb. worth \$5,166,063. Lead production at 128,913,575 lb. was slightly greater; exports increased to 150,175,900 lb. valued at \$2,186,656, from 93,619,700 lb. at \$1,628,603 during the corresponding period of 1932.

The total production of coal in Canada during the first six months of 1933 was 4,962,357 tons, as compared with 5,655,801 tons in the corresponding period of 1932. The output from the principal coal-producing Provinces, Nova Scotia, Alberta and British Columbia, was considerably lower in 1933; Nova Scotia produced 1,764,957 short tons worth \$6,345,030 as compared with 2,094,840 worth \$7,717,048 for the first half of 1932; Alberta, 2,014,162 short tons worth \$5,273,646, as against 2,193,177 worth \$6,123,956; and British Columbia, 627,560 valued at \$2,393,372 as compared with 887,946 at \$3,575,145. New Brunswick, Manitoba and Saskatchewan reported increased production. Canadian imports of coal (January to June inclusive) in 1933 amounted to 3,930,494 short tons, showing a decline of 11.5 per cent. Anthracite coal imports were 1,163,483 tons, made up of 608,978 tons from Great Britain, an increase of 49.4 per cent.; 554,499 tons from the United States, a decrease of 34.7 per cent.; and 6 tons from China. Receipts of bituminous coal from the United States were recorded at 2,660,848 tons or 12 per cent. below the total for the first six months of 1932; and from Great Britain, 105,058 tons. Exports of Canadian coal amounted to 118,441 tons as compared with 132,961 for the corresponding period in 1932, showing a 10.9 per cent. decrease.

Natural gas production in Canada declined 8.5 per cent. in the period, owing to a decrease in industrial demand; the total output was 13,277,896 thousand cu. ft. as compared with 14,518,385 thousand cu. ft. a year before. Of the total, Alberta produced 8,796,268 thousand cu. ft., a drop of 8.8 per cent.; Ontario wells, 4,110,763, a decrease of 7.5; and the Stoney Creek wells in New Brunswick, 370,565 thousand cu. ft., as compared with 429,085 thousand cu. ft. in the six months ended June 30, 1932.

The crude petroleum output in Canada for the first half of 1933 was 522,562 barrels, representing a decline of 8.3 per cent. from the corresponding

six-month period of 1932. 449,353 barrels were produced by Alberta wells; 68,322 by Ontario wells and 4,887 by New Brunswick wells. The value of the whole amount was \$1,319,090. Canadian importations for the same period amounted to 363,266,395 gal., of which 288,835,885 came from the United States; 26,236,384 from Venezuela; 23,985,021 from Peru; 20,466,627 from Colombia; and 3,742,478 gal. from the Dutch West Indies. A development in the industry was the opening of a small refinery near Fort Norman, to provide fuel for mining operations in the Great Bear Lake area.

Mineral Production in Canada for the Calendar Year, 1933. *A Preliminary Estimate of Canada's Mineral Production for 1933* issued in January, 1934, by the Dominion Bureau of Statistics, showed an increase of 8.5 per cent. in the total value of production in the mining industry throughout the whole year. The total figure was \$198,253,000 as against \$182,681,915 for 1932 but this total did not include any allowance for the difference between the standard price of gold and the average price for the year in Canadian dollars; this allowance was computed at \$23,378,000, bringing the value, in Canadian dollars, to \$84,258,000. Improvement was most marked in Canada's metal production, the value totalling \$124,382,000, an increase of 20 per cent. over the total of \$103,495,453 in 1932; fuels showed a slight falling-off of 3.5 per cent.; non-metals, other than fuels, increased 28 per cent. to \$9,898,000; production of construction materials marked a decrease of 26 per cent. but the last few months of the year produced slight evidence of an upward trend in this group.

Gold production in 1933 amounted to 2,945,070 fine oz., a slight decrease from the 3,044,387 fine oz. of the previous year. At the standard rate of \$20.671834 per fine oz. the value was \$60,880,000, or \$84,258,000 in Canadian dollars, when the difference between the standard price and the average price in Canadian dollars was taken into account. Ontario, with the camps at Porcupine and Kirkland Lake, continued to produce nearly three-quarters of the total for the Dominion, or 2,149,921 fine oz., worth \$44,442,810; Quebec produced 387,661 fine oz. Both Provinces showed a decrease but increases were noted in Nova Scotia, Manitoba, Saskatchewan, Alberta, British Columbia and the Yukon Territory. In British Columbia, besides the outstanding Pioneer mine and the Premier, the Bralorne was becoming an important producer; and in Manitoba, with the largest output coming from the Flin Flon mine, the San Antonio was growing in importance. In Quebec where development of claims was widespread a new 100-ton gold mill was completed at the Greene-Stabell mine and the Beattie Gold Mines Limited began operation of a new mill. The largest Canadian producer was the Lake Shore mine, the Hollinger, Noranda, McIntyre, Teck-Hughes, Dome and Wright-Hargreaves following in the order named.

Silver production in Canada amounted to 15,360,764 fine oz. valued at \$5,774,000 as against 18,347,907 fine oz. worth \$5,811,081 in 1932, a decrease of 16 per cent. in quantity but only 0.64 in value. The principal source was the Sullivan Mine in British Columbia; in Ontario the principal producers were the O'Brien mine at Cobalt and the Miller-Lake O'Brien of Gowganda. The price of silver improved considerably during the year, rising from an average of 39.8295 cents in July, after a slight recession in August to an average of 42.9473 cents during the first two weeks of December. The recent announcement of President Roosevelt that the United States Government would coin half of the future newly-mined silver of that country at a rate of 129 cents per oz. and retain the remainder, thus raising the price of silver in the United States to 64½ cents per oz. was noted as being of interest to silver producers in Canada.

Nickel production in 1933 was 84,586,300 lb. worth \$20,736,000 as against 30,327,968 lb. valued at \$7,179,862 in 1932. 1933 production of copper totalled 300,978,523 lb. worth \$21,646,000, an increase of 22 per cent. in quantity and 42 per cent. in value over the previous year. With the average monthly price receding from a high of 9.1508 cents (English prices converted to Canadian funds) in July to 7.505 cents for the first two weeks of December, the average

for the year was 7.437 cents as against 6.3802 cents in 1932. Lead production increased by 5 per cent. to 269,040,791 lb. worth \$6,450,000, 19 per cent. more than in 1932. Prices ranged from 1.79588 cents per lb. to 2.9521, the average for the year being 2.39756 cents. Zinc output reached 199,591,600 lb. valued at \$6,412,000, having increased 16 per cent. in quantity and 55 per cent. in value over 1932. The price rose to 3.9171 cents in July, receding later to approximately 3.4 cents per lb.

Coal produced in Canada in 1933 totalled 11,735,327 tons as compared with 11,738,913 in the preceding year. The Nova Scotia output increased 10.7 per cent. over 1932, to 4,521,446 tons; New Brunswick by 45.2 per cent. to 308,915 tons; Saskatchewan by 1.9 per cent.; Alberta's output declined 5.1 per cent. and British Columbia's 18.1 per cent. Sales of Canadian coal increased, 1,750,000 tons being moved under Federal Government assisted rates as compared with 1,121,279 tons in 1932 and 700,192 in 1931. Imports of coal during the first eleven months totalled 10,578,293 tons, a 1.9 per cent. decline. Natural gas production was estimated at 22,918,600 M cu. ft. during the year, Ontario production declining to 5,900,000 M cu. ft. Crude petroleum from Canadian wells increased 7.8 per cent. to 1,126,100 barrels.

Of the non-metallic minerals (fuels excepted) asbestos, the greatest production of which originates in Canada, showed in 1933 a gain in output of 21 per cent. in quantity and 64 per cent. in value over 1932; tonnage for the year was 148,752. Salt increased 7 per cent. in quantity and 4 per cent. in value, a new commercial producer of this mineral being recorded for the first time in Saskatchewan. The total value of the non-metallic minerals, exclusive of fuels, increased 28 per cent. to \$9,898,000.

The Department of Mines. Activities of the Mines Branch in 1932 were concentrated chiefly in an effort to improve treatment methods and products, to lower production costs, and to replace imported materials by domestic products. These were major factors under existing conditions and the research and investigative facilities of the Branch were utilized to assist the endeavours of the mineral industry in this direction. Investigations on gold ores increased in line with the exceptionally keen interest shown in the search for new sources of gold and in the development of recently discovered deposits. Tests were made on 41 gold ores; 12 from British Columbia, 2 from Manitoba, 19 from Ontario, 7 from Quebec, and 3 from Nova Scotia. Research work on the Great Bear Lake radium ores for the extraction of radium and the recovery of uranium by-products was successfully completed; and the method devised was being used as a basis for the treatment of these ores at the Port Hope plant of Eldorado Gold Mines Limited. Some fifteen studies were being carried out in 1932 on metallurgical problems connected with the manufacture of special steels, and one was also made in respect of the production of sponge iron from iron ore concentrates from Moose Mountain, Ontario and Texada Island, British Columbia. Large scale coking tests were made on Canadian coals at commercial plants in Montreal, Ottawa, and Vancouver; extensive tests were carried out on the refining of crude bitumen from the bituminous sands of Northern Alberta; the work in Turner Valley on the relation of the recoverable naptha to well pressure and gas flow was continued; and an analysis survey for hydrocarbon and helium content of natural gas from Western Ontario was conducted. Laboratory investigations on fuels included washing tests on a series of coals from Alberta and British Columbia in connection with their use in the coking industry; a study of the amenability of coals to pulverization (as a result of which the grindability, mill capacity, etc., of coals could be compared with standard coals by testing comparatively small samples); domestic heating tests on by-product oven cokes from Canadian coals or blends of these coals with imported coals; and coal hydrogenation. Ceramics activities included identification of commercial clays from all parts of Canada; a continuation of investigations into refractory clays, into the strength and other physical properties of building bricks, and leading to the production of a cleaner and less permeable brick. Research work was conducted by the Mines Branch on Canadian

sands for use in sandblasting, on anhydrite for building purposes, on the quarrying and use of European asphalts and bitumens, on the utilization of Canadian limestones, on diatomite and its industrial applications, on lode gold mining in Canada, on feldspar, rock wool, and on marble and lime.

Ten of the thirty-five parties assigned to field work by the Geological Survey in 1932 were engaged in investigations and mapping of several of the most promising mineral areas in the Yukon, North-West Territories, and in the northerly portions of British Columbia, Saskatchewan, Manitoba and Quebec. Additional parties conducted detailed investigative work in several of the older mineral areas of known economic interest in British Columbia, Alberta, Ontario, Quebec and the Maritime Provinces. Reports published by the Survey during the twelve months ended July 1, 1933, in addition to the Summary Reports, were the following: *Oil and Gas in Eastern Canada*; *Gold Occurrences of Canada*, *Studies of Geophysical Methods*, *Rare-Element Minerals of Canada* and *Manganese Deposits of Canada*.

Owing to the necessary curtailment of the appropriation for field work the activities of the staff of the National Museum of Canada in 1932 were directed to office and laboratory work; among their labours was the publication of a comprehensive monograph on "Indians of Canada". Two series of illustrated lectures were given during the Winter months at which the attendance was the largest since their inauguration in 1915. The educational work of the Museum was progressively carried on during the year to meet the demand of students and others for a popular interpretation of natural science and history. Films from the motion picture library were available for loan to educational institutions, clubs and societies, as well as sets of lantern slides for the use of lecturers in special circumstances and illustrative photographs to writers and publishers for articles. Designs for reproduction in the souvenir and other industries were also available at the Museum where every effort was being made to stimulate interest in Canadian handicrafts.

The activities of the Minister of Mines, Hon. W. A. Gordon, K.C., during 1932 included his guidance, as Chairman of the Minerals Committee of the Imperial Economic Conference at Ottawa in July, of the intricate deliberations in respect to Empire mineral trade. He was also Member of the Committee on Methods of Economic Co-operation. In his dual capacity of Minister of Mines and Minister of Labour, Mr. Gordon was a party to relief measures entered into by the Dominion and the Governments of British Columbia and Alberta, respectively, whereby assistance was granted to unemployed men put to work at placer mining in those Provinces. When questioned in the House as to his attitude toward assistance to gold prospectors in Manitoba, Ontario and Quebec, he pointed out the difficulties that would beset the Government in turning the attention of people unacquainted with prospecting into activities of that nature. On the recommendations of the Minister, Orders-in-Council providing for assistance in the movements of Canadian coals were revised to allow for an extension of the areas into which these coals might be shipped in competition with foreign coals (see below: The Dominion Fuel Board).

The Deputy Minister of the Department of Mines, Dr. Charles Camsell, F.R.S.C., also devoted much time to matters pertaining to the Imperial Economic Conference, first with the directing of preparatory work on minerals and, later, as advisor to the Special Group on Minerals. At the Annual Meeting of the Canadian Institute of Mining and Metallurgy in April, 1933, Dr. Camsell presented a paper containing a comprehensive discussion of Canada's status as a base metal producer; it was later published in the Institute's Bulletin.

The Dominion Fuel Board. Seven meetings were held by the Board in 1932. The chief subjects under review during the year were: (1) study of the coal markets throughout Canada; (2) industrial, domestic, and railway coal distribution; (3) adjustment of Western subvention rates; (4) study of proposals for further assistance to coal to be used for coking and of suitable ways in which such proposals could be implemented; (5) consideration of

adjustments in the assistance granted to railway coal; (6) consideration of the application of a Vancouver company for inclusion of their coking plant under the benefits of the Domestic Fuel Act; (7) preparation of memoranda for the use of the Imperial Economic Conference; (8) investigations into the cost of importing anthracite coal to Canada; (9) study of cost differentials on railway coal; (10) investigations of the cost of operation of coal mines throughout Canada. During the period, July 1, 1932, to June 30, 1933, the Board administered eight Orders-in-Council to assist the Canadian coal industry; these were as follows: (1) P.C. 1676 (July 28, 1932) amending P.C. 1048 to make all-rail shipments of Maritime coal eligible for assistance at all times during the year; (2) P.C. 2563 (Nov. 22, 1932) amending P.C. 1048 to extend assistance not previously available under P.C. 1048 to Canadian coal for railway use; (3) P.C. 604 (April 4, 1933) amending P.C. 1048 to increase the limit of assistance available to Maritime coal for railway use from \$2.00 per net ton to \$2.50 per net ton; (4) P.C. 740 (April 24, 1933) replacing P.C. 439 and providing assistance of \$2.50 per net ton on Alberta coal shipped to points in Ontario to which the freight rate was \$8.00 or over; (5) P.C. 951 (May 30, 1933) replacing P.C. 1299 (New Brunswick coal to Quebec and Ontario); (6) P.C. 952 (May 30, 1933) replacing P.C. 1303 and Amendment (Alberta and Crows Nest Pass B.C. coal to Manitoba and Ontario); (7) P.C. 953 (May 30, 1933) replacing P.C. 1301 (Saskatchewan coal to Manitoba and Ontario); (8) P.C. 954 (May 30, 1933) replacing P.C. 1302 and Amendment (British Columbia coal for ships' bunkers and for export). The Board prepared, upon the request of the Minister of Mines, a confidential Report on coal prices in Canada, which was transmitted to the Leader of the Senate. Official announcement of the Minister's request was made on Oct. 21, 1932.

The Canadian Institute of Mining and Metallurgy. The 34th Annual General Meeting of the Institute was held in Toronto, Apr. 4-6, 1933. The delegates attending were welcomed by the President, John A. Allan, M.Sc., Ph.D., F.R.S.C., who gave an address on "Milestones in the Mining Industry in Canada". Medals and prizes were presented to students for papers written by them, and the donation by the International Nickel Company of Canada, Ltd. of a new medal was announced. Twenty-eight technical papers were presented at the general sessions. The newly-formed Industrial Minerals Section held four sessions at which 12 technical papers were read. The Report of Council for the year ended Dec. 31, 1932 as taken and read, stated that the due-paying membership had been reduced by 59, bringing the number to 1,538. Whereas in 1931 expenditures exceeded revenue by \$2,120, in 1932 revenue exceeded expenditure by \$98. Resolutions passed expressed thanks to the members of the Industrial Minerals Industry and those who presented papers, for their efforts to make the meetings a success; appreciatively urged the Federal and Provincial governments to continue their geological mapping work; and expressed appreciation of the efforts of the United States Bureau of Mines toward a helpful relationship between the Mining organizations of the two countries. Officers elected for 1933-34 included the President, Balmer Neilly; the Vice-Presidents: G. E. Cole, A. G. Langley, J. C. Nicholls, J. C. Nicholson, H. L. Roscoe, B. L. Thorne; and the Secretary-Treasurer, E. J. Carlyle. The Prime Minister of Canada, Rt. Hon. R. B. Bennett, was one of the speakers at the Meeting.

A General Survey of Canadian Fisheries

A further reduction in Canadian fisheries output during the calendar year 1932 was revealed in a survey covering that period by the Department of Fisheries (Acting Minister, Hon. Alfred Duranleau, K.C., and Deputy Minister, W. A. Found). This report pointed out that it was inevitable that the Canadian fisheries industry should suffer severely from the continued dislocation of economic conditions throughout the world, owing to the country's dependence upon export markets for the disposal of the greater part of her production. Decreased output during the year 1932, therefore, was not indicative of scarcity or depletion of fish and shellfish, which, on the contrary, were

available in abundance in Canadian waters, but was due to less vigorous operations on the part of the fishermen, who realized that upset markets and low prices precluded, to a great extent, the advantageous selling of their catches.

The 1932 output from the fisheries had a marketed value of slightly more than \$25,957,000, approximately \$4,560,000 below the figures for 1931 which, in turn, had been some \$17,200,000 under those for 1930. Exports of fish and fishery products in 1932 were valued at \$18,752,000 in round figures, as compared with \$25,848,000 in the previous year. The total quantity of fish of all kinds caught and landed during 1932 was 8,163,832 cwt., as compared with 9,597,031 cwt. in 1931. There were decreased returns both from the sea fisheries and from the inland or freshwater fisheries, and returns fell off in each Province. The production from the sea fisheries had a marketed value of \$21,763,000, roundly stated, which was \$4,020,000 below the 1931 total, and in the case of the inland fisheries the marketed return was slightly more than \$4,194,000, a drop of about \$540,000. By Provinces, the value figures were as follows: British Columbia, \$9,909,116; Nova Scotia, \$6,557,943; New Brunswick, \$2,972,682; Ontario, \$2,147,990; Quebec, \$1,815,544; Manitoba, \$1,204,892; Prince Edward Island, \$988,919; Saskatchewan, \$186,174; Alberta, \$153,789; and Yukon Territory, \$20,060.

Although total catches from most of the fisheries were smaller in 1932 than they had been in 1931 there were several cases in which the situation was the reverse. The outstanding case of the kind was that of lobster, an Atlantic coast fishery. Lobster landings totalled almost 48,349,000 lb., nearly 4,800,000 more than the quantity taken in 1931 and about 7,622,000 more than the 1930 catch. Other fish taken in larger quantities in 1932 than in the previous year included smelts, sardines, perch, tullibee, sturgeon and eels. Rated according to the marketed value of the year's catch, salmon again held first place among the Dominion's fish and shellfish. Total salmon landings for the two coasts were not quite so large as in 1931 but prices were somewhat improved and total marketed value was approximately \$8,038,000, a gain of about \$66,000 over that of 1931, but a very substantial decrease from the figures for years when world business conditions were less unfavourable. Lobsters ranked next to salmon with regard to the marketed value of the year's catch although the value aggregate, \$4,745,300, was smaller than in 1931, in spite of the sharp increase in landings. Cod stood third in the value table, herring, fourth; halibut, fifth; whitefish, sixth; and haddock, seventh.

Plant and equipment in use in the fishing industry during the year represented an investment totalling \$41,364,000, a decrease of more than \$3,986,000, or 9 per cent., from the preceding year. The major decrease was in the capital represented by canneries and curing plants. On the other hand, the number of persons engaging in the fishing industry increased from 74,903 in 1931 to 78,025 in 1932.

During the year ended June 30, 1933, the Deputy Minister of Fisheries, W. A. Found, made official visits to both coasts of the Dominion, conferring with fisheries officials and discussing various fisheries problems with representatives of different branches of the fishing industry. On his Pacific coast visit he also attended sittings of the International Fisheries Commission as one of its Canadian members. As chairman of the International Passamaquoddy Commission he attended different meetings of that body, which was established by Canada and the United States to carry on joint investigation into certain questions in connection with the herring fishery and other fisheries of the Passamaquoddy Bay region on the Atlantic coast, and at Washington, D.C., he was present as one of the Canadian members at the Annual Meeting of the North American Council on Fishery Investigations.

Fishery Enactments. Important action in connection with the maintenance of high quality in Canadian fisheries products included the putting into effect in 1933 of new regulations governing the construction, equipment, and methods of lobster canneries, under the Meat and Canned

Foods Act, which had been amended in the latter part of 1932. These regulations provided that no lobster cannery could operate unless it had obtained a prescribed minimum number of marks for construction, equipment, operating methods, and sanitation as determined by the use of a grading form based upon investigations made by the Biological Board of Canada, the scientific division of the Fisheries Department. The regulations further stipulated that the minimum number of marks necessary to enable a cannery to obtain an operating permit should be increased in 1934 and again in 1935; that every cannery working in 1935, or thereafter, had to be equipped with a steam retort; and that any new cannery erected for operation in 1933 or thereafter, had to be in a position from the outset to obtain the minimum marks set for the year 1935.

Regulations under the Fish Inspection Act were also amended so as to make compulsory the system of inspection of pickled alewives, pickled herring, pickled mackerel, herring bloaters and pickled salmon (except mild cured salmon) and of the containers used in the marketing of these products. Certain changes were also made as to the grades established for the processed fish. All containers holding pickled fish that had passed inspection were required to have stencilled on them a crown surrounding the word "Canada", as well as certain information as to weight, etc., while shipments falling below the quality laid down by the regulations but fit, nevertheless, for human food, should not be stencilled with the official brand. In the case of smoked bloaters the crown stencil should not be used, but the boxes of fish passing inspection should be marked "Inspected." The inspection work under these regulations, as well as the grading of lobster canneries, was conducted by the permanent fisheries inspectors of the Dominion Department of Fisheries.

By an Order-in-Council dated Aug. 23, 1932, all canned salmon imported into the Dominion for sale within Canada was required to enter through a British Columbia port only and to be submitted for inspection to the Canadian Board of Canned Salmon Inspectors, which had been created in April, 1932, to carry out the compulsory system of canned salmon inspection instituted for British Columbia at that time. Regulations regarding the latter (see *The Canadian Annual Review*, 1932), which became effective in June, 1932, were further amended in certain administrative details during the period under review.

Of interest in connection with fisheries legislation, as an indication of the Maritime attitude generally to such problems, were the resolutions passed at the Annual Meeting of the United Maritime Fishermen (Oct. 26-27, 1932), urging the enactment of measures providing for: cancellation of all steam trawler licences; restoration of the Ministry of Fisheries as a separate Portfolio; complete enforcement of the Fish Inspection Act; investigation of the possibility of shipping live lobsters to Great Britain; the promotion of the sale of dry and pickled fish in Central and Western Canada; institution of a marketing board for fishermen, modelled after the farmers' board; extension of the lobster collection service; and stricter inspection of boneless cod.

The Biological Board of Canada. The Biological Board of Canada in 1932 celebrated the twentieth anniversary of its establishment. Some of the activities undertaken in 1932 through the four Stations of the Board—the two Biological Stations at St. Andrews, N.B., and at Nanaimo, B.C., and the two Fisheries Experimental Stations, at Halifax, N.S., and at Prince Rupert, B.C.—were outlined in a Summary Report by the Chairman, Prof. J. P. McMurrich. At the St. Andrews Station was continued the investigation into the natural history of the Atlantic salmon. As an outcome of the valuable results obtained from the survey of the Bay of Fundy fisheries conducted the previous year, a similar survey was commenced in the Halifax area. Through the study of oyster culture carried on at Richmond Bay, P.E.I., a method was discovered whereby objectionable muddy bottoms might be rendered suitable for oyster culture. Work on the problems of oyster culture on the Pacific coast revealed the hardness and the advisability of the more extensive culture of Japanese oysters. Investigations were also

underway during the year into the pilchard and its fishery in British Columbia; into the problems of refrigeration and smoke curing (Atlantic Fisheries Station, Halifax); and into the composition and utilization of fish oils (Pacific Fisheries Station, Prince Rupert). The Report recorded the destruction by fire on Mar. 9 of the Laboratory Building of the Biological Station at St. Andrews, as the result of an explosion of furnace gas. The loss was a severe one, in that it involved the valuable library, numerous records, and the plankton and other important collections of many years. The Building was partially reconstructed in time for the Summer work of the Station.

International Fisheries Commission. It was reported that important conclusions regarding fundamental short-time reactions of the Pacific halibut fishery to varying strains had resulted from the investigation of the changes in halibut abundance by the International Fisheries Commission (the Pacific Halibut Commission). These had indicated that the abundance of fish varied almost inversely as the intensity of the fishing effort of the two preceding years, if allowance was made for changes due to the amount of spawn produced. It was to be expected that in the future this close inverse relationship between intensity and abundance might vary with the expected changes in the production of spawn, but, since it was possible to follow such changes by continued observation, the Commission would be able to predict from year to year the probable abundance.

During the year ended Mar. 31, 1933, additional facts regarding the life history of the Pacific halibut and conditions on the fishing banks were obtained by Commission investigators and the first year of effective regulation of the fishery as provided for by the 1930 Convention between Canada and the United States was completed. Scientific work under the Commission during the year included the study of the rate of halibut growth, age at maturity, fecundity, the amount of spawning on the southern grounds in convention waters, the involuntary drifting of the young pelagic larvae, the early life history of the fish and the migrations of the adults. The study of the abundance of spawning in the waters of northern British Columbia yielded results corroborating earlier Commission investigations and indicating the paucity of spawners in this region. Further study of the post-larval stages of the halibut filled in previously existing gaps in the knowledge of the early life history of the fish and made possible the positive identification of halibut at any stage from the egg to maturity.

The work of determining the migrations of the halibut forming the small spawning schools off the British Columbia coast, and the rate at which they were removed by the fishery, was continued during the year. During the operations 435 halibut were tagged and material was collected for the determination of rate of growth and age at maturity on grounds at the northern end of the Queen Charlotte Islands.

The system of regulating the fishery by limiting total catch by convention areas and by closing each area as its pre-determined limit was reached was made operative at the beginning of the 1932 fishing season. The *quota* for Area No. 2, including the coast of British Columbia, was reached by Oct. 22 and the region was closed to fishing. The other limited area, including most of the coast of Alaska, was automatically closed on Nov. 1, when the annual close season became effective, although at that time the area *quota* had not been taken. Changes made later in the regulations, which were effective in the 1932 fishing season, altered slightly the boundary between Area No. 2 and Area No. 3, modifying the catch limits for these areas accordingly, and set the end of the close season at the last day of February instead of at Jan. 15. In June, 1933, a modification was made enabling the Commission to permit the continuation of fishing until Nov. 15, should such action prove necessary.

North American Council on Fishery Investigations. The 1932 Meeting of the Council, which was the medium for the interchange of knowledge and opinions as to the best means of achieving the full conserva-

tion of the fisheries of the north-western Atlantic, was held at Washington, D.C., in October. With the exception of France, all four of the member countries were represented: Newfoundland by Dr. Harold Thompson, Director of Fisheries Research in that Dominion; the United States by Henry O'Malley, Commissioner of Fisheries; by Dr. H. B. Bigelow, Director of the Woods Hole Oceanographic Institution, and by Elmer Higgins of the Bureau of Fisheries; and Canada by W. A. Found, Deputy Minister of Fisheries; Dr. J. P. McMurrich, Chairman of the Biological Board of Canada, and Dr. A. G. Huntsman, Director of the Atlantic Biological Station. Certain fishery experts from Canada and the United States attended the Meeting as advisors and there were also present some of the investigators of the International Passamaquoddy Fisheries Commission. Among the reports of a scientific and technical character submitted to the Meeting were those dealing with cod, haddock, mackerel and herring and others relating to the use of drift bottles in the study of water movements and to the investigation of water conditions by the method, undertaken by all countries, whenever possible, of hydrographic sections. Sections made by Canada in the Halifax area during the Summer of 1932, revealed very considerable shifting in all layers of the water in the basin between the coast of the outer banks from June to September. A severe storm in early September was found to effect changes in the water which altered the distribution of fish and stopped coastal fishing.

Passamaquoddy Bay Investigation. The joint investigation begun by Canada and the United States in 1931 with a view to determining the probable effect of proposed large power dams in the Passamaquoddy Bay area upon the herring fishery and other fisheries of south-western New Brunswick and northern Maine was continued during 1932, and on into 1933. The field work carried on during 1932 consisted of hydrographical, chemical, phytoplankton, zooplankton and ichthyological investigations, the investigators being Dr. E. E. Watson, Hydrographer, of Queens University, Kingston, Ontario; Dr. H. H. Gran, Phytoplanktonologist, of the University of Oslo, Norway; Dr. C. J. Fish, Zooplanktonologist, Director of the Museum of Science, Buffalo, New York; and Mr. Michael Graham, Ichthyologist, of the Scientific Staff of the Ministry of Agriculture and Fisheries of Great Britain. The Commission in charge of the investigation, with headquarters at the Atlantic Biological Station, St. Andrews, New Brunswick, was composed of Mr. W. A. Found, Deputy Minister of Fisheries (Chairman), and Dr. A. G. Huntsman, of the staff of the Biological Board of Canada, representing the Dominion, and the Federal Commissioner of Fisheries, and Mr. O. E. Sette, Officer in Charge of Atlantic Fisheries investigations for the Bureau of Fisheries, Washington, D.C., representing the United States. Co-operating with the Commission was an advisory board of scientists consisting of Dr. H. B. Bigelow, Director of the Oceanographic Institution at Woods Hole, Mass., Dr. A. E. Parr, of Yale University, New Haven, Conn., Dr. A. W. H. Needler, of the staff of the Biological Board of Canada, and Prof. F. R. Hayes, of Dalhousie University, Halifax, Nova Scotia.

Hydrographical work during 1932 included observations of temperature and salinity measurements from surface to bottom and two surveys of the Bay of Fundy. Phytoplankton samples were collected from the Bay of Fundy, the Gulf of Maine and waters off the south coast of Nova Scotia. Microscopical examination of the most important samples of the quantitative phytoplankton material was carried out, and the relationship between the plankton data and chemical, hydrographical and meteorological data was studied during the Winter. Five cruises in the Bay of Fundy and the Gulf of Maine were undertaken in the year's zooplankton investigations and various special studies were also made, while drift bottles were used to supplement the biological data. Quantitative and qualitative analyses of zooplankton samples were made and the result correlated with the hydrographical data. In the ichthyological work observations were carried on in the area from the head of the Bay of Fundy to the vicinity of Boston, to Brown's Bank and as far east as Liverpool, Nova Scotia. Numerous observations on

transparency and surface temperature were taken near the coast of Maine in the Bay of Fundy and off Nova Scotia.

The Hydro- Electric and Central Station Industry in 1932-33

The known available water power in Canada from all sources, at the end of 1932, was recorded as 20,347,400 h.p. for conditions of ordinary minimum flow, and 33,617,200 h.p. ordinarily available for six months of the year, according to the Report of the Department of the Interior on the Water Power Resources of Canada, (issued Feb. 1, 1933). Although no new construction of any considerable size had been commenced, new hydraulic turbines installed and brought into operation during 1932 resulted in a net addition of 378,923 h.p. to the Dominion's total, bringing it to 7,045,260 h.p.—a development of only a little over 16 per cent. of the total turbine installation allowance of 43,700,000 h.p. of the recorded Canadian water power resources. The estimated capital investment in the total machines installed amounted to \$1,620,000,000, 88 per cent. of which was expended on lands, buildings, plant and equipment. This was a greater investment than that of any other manufacturing industry.

Of Canada's total installation, 6,111,641 h.p. or 86.8 per cent., was installed in central electric stations for general distribution; power plants of pulp and paper mills accounted for 600,996 h.p. or 8.5 per cent., and other industries for 332,623 h.p., or 4.7 per cent.

More than two-thirds of the year's installation occurred in the Province of Quebec. The Beauharnois Light, Heat and Power Company's development on the St. Lawrence River, 25 miles upstream from Montreal, commenced operating on Oct. 1, 1932, with 200,000 h.p. of its initial installation of 500,000 h.p. in place. The initial installation of 224,000 h.p. at the joint development of Chats Falls on the Ottawa River by the Ottawa Valley Power Company Limited and the Hydro-Electric Power Commission of Ontario was completed with the addition of 112,000 h.p. during the year, half of which, or 56,000 h.p., was credited to each Province's total of new construction.

In Ontario this 56,000 h.p. installation (Chats Falls development) was the only large installation brought to completion during the year. The Ottawa Electric Company reconditioned its Station No. 4 on the Ottawa River replacing two turbines of 2,000 h.p. each by two of 5,300 h.p. each, while the Deagle Company installed a 300 h.p. plant at Whitefish Falls on the Whitefish River.

In British Columbia the West Kootenay Power and Light Company Limited completed its fourth development on the Kootenay River, Corra Linn, of 57,000 h.p. The City of Grand Forks reconstructed the old Kettle River hydro-electric plant and installed two units of 250 h.p. each, while a 300 h.p. plant was installed on Kaslo Creek by the City of Kaslo.

The output of central electric stations in Canada during 1932 amounted to 16,007,119,000 k.w.h., a decrease of 323,748,000 k.w.h. from the previous year, according to the Report on *Production and Use of Electric Energy in Canada*, issued by the Dominion Bureau of Statistics in May, 1933. This total was divided into 15,687,242,000 k.w.h. produced by water power and 319,877,000 k.w.h. produced by thermal engines.

The amount of electric energy used in Canada actually increased from 15,103,831,000 k.w.h. in 1931 to 15,347,218,000 k.w.h. in 1932. The significance of this improvement became more apparent when comparisons were made of the coal consumption during 1931 and 1932 which decreased by 2,264,000 tons, or 10.2 per cent. in the latter year. In 1931 (latest figures available), electric boilers in the pulp and paper industry, which had a total rated capacity of 883,450 k.w., used 2,032,283,000 k.w.h. purchased from central electric stations.

The export of electricity to the United States amounted to 659,901,000 k.w.h. in 1932 (excluding 7,979,000 k.w.h. exported by a pulp mill), a decrease

from 1931 of 567,135,000 k.w.h., which more than accounted for the decrease in production.

The 43rd Annual Convention of the Canadian Electrical Association was held at Lucerne-in-Quebec, on June 14-16, 1933, with J. S. Parker, President, in the Chair. The main question discussed at the Convention was the necessity for electrical companies to find new outlets for their products, owing to surplus power and lessened incomes. Three important papers were read on the subject: "Recent Attempts in Load Building" by R. J. Beaumont; "Practical Aspects of Heating Houses by Electricity", a Report of the Electrical Apparatus Committee; and "Building the Load by Ensemble Selling of Domestic Electrical Appliances," by A. S. Edgar. The officers elected for 1933-34, were as follows: President, Alex. D. Robb, Niagara Falls; Vice-Presidents: John Morse, Montreal; R. B. Baxter, Montreal; E. H. Adams, Vancouver; Treasurer, C. W. Hemming, Montreal; and Secretary, B. C. Fairchild, Montreal.

Construction in Canada in 1932-33

In 1932 the total value of construction contracts awarded declined to \$132,872,400, the lowest figure since 1918 and \$182,609,600 or 57.9 per cent. less than in 1931, and 77 per cent. less than the peak of 1929. Of the 1932 total, residential contracts accounted for \$28,892,600; business, \$39,399,200; industrial, \$7,820,400; and engineering, \$56,760,200 (latest available statistics—MacLean Building Reports).

According to the revised data of building permits supplied by the Dominion Bureau of Statistics, there was a substantial decrease in construction activities in 61 Canadian Cities during 1932. The value of their building authorizations, aggregating \$42,319,397, was 72.4 per cent. below the twelve-year (1920-31) average of \$153,401,374 and 62.3 per cent. below the 1931 total of \$112,222,845. All Provinces showed decreases, the largest absolute reduction, being in Ontario, from \$44,371,578 in 1931 to \$16,887,761 in 1932. By Provinces, statistics were as follows: Nova Scotia, \$1,109,753 (a decline of 65.0 per cent. from 1931); New Brunswick, \$648,434 (63.6 per cent.); Prince Edward Island, total figures not received; Quebec, \$12,467,878 (56.2 per cent.); Ontario, \$16,467,878 (61.9 per cent.); Manitoba, \$2,381,433 (51.9 per cent.); Saskatchewan, \$1,535,641 (59.5 per cent.); Alberta, \$2,243,718 (52.6 per cent.); and British Columbia, \$3,618,980 (69.4 per cent.).

The reduction in the volume of building work was not, however, so pronounced as the above figures indicate as the prices of building materials and the cost of labour had declined considerably. The index number of wholesale prices of building materials, calculated with the 1926 average as 100, averaged 77.5 in 1932, as compared with 81.9 in 1931, 90.8 in 1930, 99.0 in 1929, 97.4 in 1928, and 96.1 in 1927, while in each of the seven preceding years it had been 100 or over. The index number of wage rates in the building trades, based on 1913 figures, equal to 100, averaged 178.2 in 1932, as compared with 195.7 in 1931, 203.2 in 1930, 197.5 in 1929, 185.6 in 1928 and 179.3 in 1927.

The cumulative figures for the first six months of 1933 showed the value of permits issued as \$10,107,289, as compared with \$24,341,044 for the same period in 1932. The index number of wholesale prices reached a new low—75.8, as compared with 76.8 in 1932.

Canadian Manufacturing Industries

The downward trend in the Manufacturing Industries of Canada, which had begun in the Autumn of 1929, continued with increasing force in 1931 (according to the Advance Report for that year issued by the Dominion Bureau of Statistics in May, 1933—the latest statistics available). There were 24,501 establishments in 1931 with a capital investment of \$4,961,312,408, employing 557,426 persons who were paid \$624,545,561 in salaries and wages. The cost of materials amounted to \$1,223,880,011 and the gross value of products totalled \$2,698,461,862 leaving a net value added by manufacture

of \$1,474,581,851. Ontario, in 1931, with only 41.4 per cent. of the total number of establishments, employed 46.1 per cent. of the capital, 48.4 per cent. of the number of employees and produced 48.6 per cent. of the entire output. Of the major industrial groups, the textile industries suffered the least from the depressed business conditions prevailing in 1931, while the "iron" and "wood and paper" groups reported the greatest declines in employment, salaries and wages paid and gross value of production. The following table gives the percentage variation in employment and gross value of products in 1931, as compared with 1930 by Provinces:

Provinces	Percentage Increase or Decrease		
	Number of* Employees	Salaries and Wages Paid	Gross Value of Products
CANADA	-13.5	-15.2	-21.3
Prince Edward Island.....	-43.1	-2.7	-2.8
Nova Scotia	-23.3	-15.2	-17.6
New Brunswick	-28.8	-15.3	-13.1
Quebec	-11.7	-13.6	-16.9
Ontario	-12.3	-15.4	-23.4
Manitoba	-8.7	-9.5	-16.8
Saskatchewan	-16.4	-18.2	-28.9
Alberta	-16.3	-16.8	-27.5
British Columbia and Yukon.....	-19.7	-22.3	-27.1

*Due to the change in method in 1931 of computing the average number of wage-earners employed, the decrease is over-estimated to some extent.

Of the forty leading industries of the Dominion, the pulp and paper industry in 1931 again exceeded all others in gross value of production. Other leading industries in order of their importance were (with rank held in 1930 in brackets): central electric stations (4), slaughtering and meatpacking (2), non-ferrous metal smelting (10), flour and feed mills (3), butter and cheese (6), electric apparatus and supplies (8), petroleum products (11), tobacco, cigars and cigarettes (12), and railway rolling stock (7). The following two tables give statistics for 40 leading industries.

Statistics of the Forty Leading Industries of Canada

1931	Capital \$	Em- ployees No.	Salaries and Wages \$	Cost of Materials \$	Gross Value of Products \$
Pulp and paper.....	630,176,540	26,669	34,792,013	63,947,678	174,733,954
Central electric stations.....	1,229,988,951	17,014	26,306,956		122,310,730
Slaughtering and meatpacking..	62,481,905	9,294	11,626,678	91,276,842	117,596,697
Non-ferrous metal smelting....	175,669,195	7,860	13,245,327	48,336,301	98,565,755
Flour and feed mills.....	61,069,192	5,671	6,032,189	71,771,797	95,728,540
Butter and cheese.....	52,381,144	11,965	12,259,926	64,661,837	95,728,398
Electrical apparatus and supplies	100,057,945	18,207	22,474,319	32,385,342	81,578,595
Petroleum products	68,136,281	4,122	6,214,745	50,617,742	76,158,644
Tobacco, cigars and cigarettes..	50,194,202	9,091	8,096,769	21,448,879	74,926,154
Railway rolling stock.....	97,484,985	21,773	28,111,765	35,335,573	67,865,070
Printing and publishing.....	65,573,014	16,918	26,375,663	14,029,548	65,700,122
Bread and other bakery products	54,267,110	18,337	18,862,604	28,619,776	64,818,227
Sawmills	121,336,176	22,361	16,409,674	37,379,034	62,769,253
Automobiles	59,638,057	9,545	13,113,192	36,476,355	59,674,345
Clothing, factory, women's....	21,430,983	15,648	15,018,195	30,955,973	54,140,770
Rubber goods, includ'g footwear	67,446,955	12,158	11,708,387	17,630,081	52,691,230
Castings and forgings.....	95,377,318	17,049	19,203,234	18,598,048	51,455,296
Biscuits, confectionery, chocolate, etc.	51,530,443	12,145	10,892,636	20,207,678	49,285,042
Breweries	63,140,211	4,679	6,601,528	13,289,689	49,055,739
Hosiery and knitted goods....	57,173,774	17,698	13,948,570	22,052,418	47,757,703
Sugar refineries	37,691,433	2,265	3,307,730	29,196,494	43,962,061
Cotton yarn and cloth.....	74,023,179	15,802	12,362,032	22,231,449	43,136,423
Sheet metal products.....	52,352,956	7,988	9,265,806	20,230,852	39,039,005
Primary iron and steel.....	104,512,104	8,026	11,072,054	15,291,414	36,911,245
Boots and shoes.....	25,844,168	14,150	12,340,283	17,949,804	36,625,565
Machinery	62,752,673	8,644	10,793,352	11,120,332	34,492,915
Clothing, factory, men's.....	21,599,392	9,701	9,585,462	18,362,813	33,950,083
Fruit and vegetable preparations	48,152,325	6,329	4,509,377	18,668,100	32,572,580
Printing and bookbinding.....	36,832,215	11,189	14,604,194	10,250,998	32,538,628
Coke and gas products.....	95,872,858	4,006	5,616,763	13,894,061	31,249,460
Furniture	36,657,497	10,007	10,047,027	10,588,707	27,135,171
Planing mills, sash and door factories	40,790,104	7,952	8,346,474	13,703,622	26,219,473
Bridge and structural steel work	27,469,351	4,421	7,143,544	9,132,721	22,170,215
Coffee, tea and spices.....	13,500,659	1,639	2,251,103	14,384,811	21,987,257

Statistics of the Forty Leading Industries of Canada—Continued.

1931	Capital \$	Em- ployees No.	Salaries and Wages \$	Cost of Materials \$	Gross Value of Products \$
Dyeing, cleaning and laundry work	25,621,564	11,772	10,671,615	1,968,029	21,024,684
Furnishing goods, men's.....	16,649,101	8,139	5,787,221	11,534,873	20,978,478
Fish curing and packing.....	19,085,513	4,268	2,761,423	11,920,834	18,826,893
Boxes and bags, paper.....	21,562,581	4,809	4,924,682	9,627,461	18,668,563
Paints, pigments and varnishes	24,985,476	2,780	4,281,861	7,974,852	18,536,463
Silk and artificial silk.....	32,205,207	6,273	5,758,995	6,482,197	18,187,492
Total, forty leading industries	4,002,714,737	428,364	476,725,368	993,535,015	2,140,752,918
Total, all industries.....	4,961,312,408	557,426	624,545,561	1,223,880,011	2,698,461,862
Percentage of forty leading in- dustries to all industries.....	80.68	76.85	76.33	81.18	79.33
1932					
Slaughtering and meatpacking..	53,227,929	9,101	10,349,315	65,575,957	91,246,523
Petroleum products	69,475,860	4,116	5,980,681	52,237,387	71,697,757
Printing and publishing.....	61,156,728	15,911	23,406,606	11,193,930	54,812,748
Electrical apparatus and supplies	82,458,754	14,305	16,262,368	20,414,844	53,264,918
Hosiery and knitted goods....	52,604,950	17,655	13,474,974	19,349,634	43,252,752
Clothing, factory, women's.....	18,147,033	14,276	12,117,879	23,983,585	42,564,589
Sugar refining	37,654,457	2,140	3,147,753	25,716,922	41,022,589
Rubber	65,794,903	10,325	9,340,911	11,906,696	40,746,910
Brewing	57,398,055	4,353	5,932,225	10,210,482	38,212,192
Biscuit, confectionery, cocoa and chocolate	45,402,886	10,526	9,425,498	15,594,694	37,386,093
Tobacco	42,351,650	8,236	7,127,070	18,787,261	*37,361,781
Railway rolling stock.....	87,289,160	15,612	17,460,142	14,101,765	32,465,192
Leather boot and shoe.....	22,024,801	13,728	11,156,856	15,753,021	32,242,416
Printing and bookbinding.....	39,451,964	11,679	13,874,016	10,967,767	31,270,486
Fruit and vegetable preparations	40,586,892	5,954	4,056,746	15,600,602	30,034,537
Clothing, factory, men's.....	16,434,048	8,098	7,269,994	15,262,351	27,289,591
Coffee, tea and spice.....	14,191,519	1,859	2,486,106	13,066,931	19,014,351
Paper box and bag.....	20,110,391	4,654	4,412,048	8,787,604	17,026,439
Primary iron and steel.....	96,323,629	4,847	6,131,057	6,289,483	16,197,526
Paints, pigments and varnishes	23,978,252	2,658	3,858,813	6,295,860	14,912,383

*Does not include excise duties which are included in 1931 figures.

Vegetable Products. The Vegetable Products group of industries ranked first in importance in 1931 in regard to gross value of production and cost of materials used, according to the latest statistics available (issued in July, 1933). The 5,283 establishments, an increase of 242 over the previous year, reported a gross value of production in 1931 of \$535,079,463, which represented a decrease from 1930 of \$136,944,203; the capital investment was \$545,387,574; employees numbered 77,706, and were paid \$79,022,515 in salaries and wages. The cost of raw and other materials amounted to \$260,604,562 which left a value, added by manufacture, of \$274,474,901. The first nine industries under this group, in order of their importance are as follows (for statistics regarding these see list of Forty Leading Industries): flour and feed milling; tobacco; alcoholic beverages; bread and other bakery products; manufacture of biscuits, confectionery, cocoa, chocolate and chewing gum; fruit and vegetable canning; sugar refining; coffee, tea and spice; and rubber. The industries manufacturing for the export market suffered the greatest decline. Exports of wheat flour declined from 7,514,778 barrels valued at \$37,540,495 in 1930 to 5,697,224 barrels valued at \$20,207,319 in 1931. Exports of alcoholic beverages had a value of \$22,766,816 in 1930 and \$12,478,200 in 1931, while exports of rubber and its products decreased from \$25,157,017 in 1930 to \$13,413,819 in 1931. The total exports for 1931 amounted to \$59,217,939, a decrease of \$42,225,053 from the previous year. Imports had a value of \$79,257,126 in 1931, which was \$28,115,761 less than 1930.

The Textile Industries, 1931. Reports received from 1,955 establishments in the Textile Industries in 1931, an increase of 69 over the number reporting in 1930, showed a gross value of production of \$317,158,670, a decline of \$44,656,063 which was largely caused by the lower values of raw materials and finished products (latest available statistics). Capital invested in 1931 amounted to \$352,344,073, and persons employed numbered 105,473

who were paid \$92,504,088 in salaries and wages. The cost of raw and other materials used dropped to \$153,191,375, leaving a value added by manufacture of \$163,967,295. Two items, woollen cloth, of the wool group, and silk and artificial silk, showed increased production in the year. The total gross value for 1931 was divided among the different commodities as follows (for purposes of comparison 1930 figures are in brackets): cotton textiles, \$50,986,932 in 1931 (\$58,587,366); woollen textiles, \$25,456,037 (\$27,497,530); silk, artificial silk and products, \$18,187,492 (\$17,808,598); knitted goods, \$48,517,044 (\$54,117,924); garment trades, \$126,108,401 (\$147,576,638); miscellaneous textiles, \$23,984,747 (\$30,754,013); and dyeing, cleaning and laundry work, \$23,918,017 (\$25,472,664).

Imports of fibres, textiles and textile products were valued at \$90,151,516 in 1931, a decrease of \$58,998,428 from the 1930 value. Of the total imports, \$25,905,833 was for cotton and its products; \$20,130,683 for wool and its products; \$14,411,551 for silk and its products; \$6,023,421 for artificial silk and its products; \$7,789,670 for flax, hemp and jute products; \$12,188,677 for mixed textile products, and \$3,701,681 for other fibres and their products. Imports from the United Kingdom showed a decrease in value from \$56,396,963 in 1930 to \$31,966,128 in 1931; from the British Empire (including the United Kingdom), from \$61,590,197 to \$35,438,436; from the United States, from \$55,121,535 to \$35,017,342; and from other countries, from \$37,631,446 to \$23,168,046. Exports of fibres, textiles and textile products in 1931 were valued at \$5,394,084, a decrease of \$1,908,012 from the 1930 value of \$7,302,096. Of the total exports of 1931, \$1,284,772 went to the United Kingdom, an increase of \$219,796; \$2,918,302 to the British Empire (including the United Kingdom), a decrease of \$854,232; \$1,790,005 to the United States, a decline of \$691,985; and \$2,319,307 to other countries, a decrease of \$1,435,823 from the previous year.

Iron and Steel and Their Products, 1932. Final statistics for 1932 of Iron and Steel and their products (issued in January, 1934) showed that production in that year was valued at \$226,205,543 as against \$374,725,068 in 1931. Compared with 1931 the number of plants dropped to 1,233 from 1,243, capital employed declined to \$608,619,518 from \$676,270,362, the number of employees to 74,214 from 96,927, salaries and wages to \$82,339,437 from \$120,759,931, and the cost of materials for manufacturing to \$102,289,749 from \$170,754,686. The fourteen main industrial groups by which the iron and steel factories in Canada were classified, each reported lower output values in 1932 than in the previous year. The principal declines by industries in millions of dollars were as follows: railway rolling stock, from \$67.86 to \$32.46; primary iron and steel, from \$36.90 to \$16.19; castings and forgings, from \$51.45 to \$29.28; automobiles, from \$59.67 to \$43.80; bridge building and structural steel work, from \$22.17 to \$7.38; machinery, from \$34.49 to \$22.27; sheet metal products, from \$39.0 to \$27.88; agricultural implements, from \$11.17 to \$5.51; wire and wire goods, from \$14.19 to \$10.40; hardware and tools, from \$13.27 to \$10.53; boilers and engines, from \$6.36 to \$4.46; miscellaneous iron and steel products, auto parts, and bicycles, all showed minor losses.

Imports into Canada of iron and steel and their products, decreased to \$67,708,155 in 1932 from \$116,209,368 in 1931. Exports amounted to \$16,325,772 as compared with \$19,086,492 in the previous year, and re-exports to \$1,940,894 as compared with \$3,321,415.

Non-ferrous Metals and Non-metallic Minerals, 1932.

Manufactures of the non-ferrous metals in 1932 had a value of \$152,111,317 at the works, according to final statistics (issued in December, 1933). This was 28 per cent. below the corresponding value for 1931 of \$211,862,412 and 39 per cent. below the 1930 value. The total of 452 plants in operation in this group in 1932, 3 less than in the previous year, employed capital amounting to \$272,045,441, as compared with \$318,395,983 in 1931. The number of workers dropped to 26,704 from 34,414 in 1931 and payments for salaries and wages aggregated \$32,755,103, as compared with \$46,111,373 for the preceding

year. The total cost of materials at the works was \$67,934,940 as against \$95,342,788 in 1931, and the value added by manufacturing was \$84,176,377, as compared with \$116,519,624. Of the 7 separate industries according to which the non-ferrous metal products were classified, all but one showed declines in output values in 1932 as compared with 1931. The non-ferrous smelting and refining industry, which was the most important in 1932 from a value standpoint, declined 22 per cent. to \$76,442,076; the electrical apparatus and supplies industry dropped 35 per cent. to \$53,264,918; lead, tin and zinc products, 15 per cent. to \$3,498,049; brass and copper products, 40 per cent. to \$9,594,115; jewellery and silverware, 18 per cent. to \$6,118,871, and aluminum products, 25 per cent. to \$2,703,212. The miscellaneous group made a gain of 2 per cent. to \$490,076. Imports of non-ferrous metals and their products into Canada during 1932 were valued at \$21,642,924 as against \$38,666,648 in 1931. Of this total, \$16,020,267 or 74 per cent. came from the United States and \$3,648,649 or 17 per cent., came from the United Kingdom. Exports during 1932 were appraised at \$48,130,177, of which \$18,762,989 went to the United States and \$15,071,899 to the United Kingdom. In 1931 exports totalled \$73,841,502 in value. Re-exports amounted to \$457,563 in 1932 and \$719,791 in 1931.

Final statistics for 1932 (issued December, 1933) showed that manufactures from non-metallic minerals reached a value of \$147,765,618 in that year as compared with \$181,431,906 in 1931. The number of individual factories in operation in 1932 was 1,182 or 90 less than in 1931 but the decrease was chiefly due to the idleness of small plants in the cement products, stone dressing and clay products industries. Capital employed declined \$16.3 millions to \$312,569,679, the number of workers decreased by 4,553 to 20,342, and payments for salaries and wages dropped \$7.8 millions to \$24,479,677. The cost of materials was \$74,358,159 or \$4.6 millions less than in 1931, and the value added by manufacturing was \$29 millions lower at \$73,407,459. Of the 15 main industries into which this group was divided, salt was the only one which showed a gain in output value over the previous year, the total for 1932 being \$1,947,551, as compared with \$1,904,149 in 1931. Imports into Canada of non-metallic minerals and their products during 1932 (preliminary figures) totalled \$95,341,195 of which \$69,497,632 came from the United States and \$12,277,310 from Great Britain. Imports in 1931 were \$106,087,909. Exports and re-exports during 1932 amounted to \$10,064,246 of which \$5,684,620 went to the United States and \$1,410,588 to the United Kingdom. Exports and re-exports in 1931 totalled \$15,052,974.

Other Manufacturing Industries in 1932 and 1933. The production of chemicals and allied products in 1932 (final statistics issued January, 1934) was valued at \$95,279,376 at factory prices, a decrease of 10 per cent. from the corresponding value of \$105,501,905 in 1931. A total of 662 plants reported in 1932 compared with 621 in 1931, but capital employed declined \$4 millions to \$160,929,954, salaries and wages dropped \$1 million to \$20,008,108, the cost of materials fell \$5.5 millions to \$35,276,531, and the value added by manufacturing, \$4.7 millions to \$60,002,845. The number of employees remained about the same at 15,295 as against 15,207 in 1931. The chemical industry was divided into 15 separate groups, only three of which showed slight increases in output values over 1931. The acids, alkalies and salts industry, advanced 4 per cent. to \$11,357,649; the polishes and dressings industry, gained 2 per cent. to \$1,812,603, and the toilet preparations industry was maintained at \$5,946,409 as compared with \$5,946,292. The greatest decline was that in the paints industry of 20 per cent. to \$14,912,383; the medicinal and pharmaceutical industry, dropped 3 per cent. to \$17,573,979; soaps, washing compounds and cleaning preparations, 13 per cent. to \$14,739,158; fertilizers, 6 per cent. to \$4,006,187; compressed gases, 11 per cent. to \$2,504,550; inks, 7 per cent. to \$2,153,632; coal tar distillation, 18 per cent. to \$2,114,650; wood distillation, 13 per cent. to \$607,394; flavouring extracts, 11 per cent. to \$1,282,175; adhesives, 38 per cent. to \$1,087,215; explosives, 16 per cent. to \$7,184,574, and the miscellaneous group, 9 per cent. to \$7,996,818.

Imports of chemicals and allied products declined \$3.5 millions in 1932 to \$27,861,580, the lowest value since 1925 (preliminary statistics). About 62 per cent. was purchased from the United States and 17 per cent. from the United Kingdom. Exports increased slightly in 1932, the total value being \$11,033,179 as compared with \$10,848,946 in 1931. United States, United Kingdom, Mexico, Portuguese Africa, Newfoundland, Hawaii, Australia, British India, Netherlands, Cuba, and China in the order named were the main purchasers.

The miscellaneous industries group, the smallest of the ten groups into which Canadian manufactures are divided, had as its leading industries ship-building, the production of scientific and professional equipment, musical instruments, mattresses and springs and brooms, brushes and mops. In 1931, (latest available statistics, issued July, 1933) establishments numbered 464 with a capital investment of \$75,682,761, an employment of 12,821 persons who received \$15,133,859 in salaries and wages. The sum of \$17,160,861 was also spent for materials and produced goods with a selling value at the factory of \$45,350,322, leaving the value added by manufacture at \$28,189,461. All the leading industries of the group reported considerable decreases in production, employment and capital investment.

Production from the automobile manufacturing industry in Canada during 1932 (Report issued July, 1933) was valued at \$43,801,389 a decrease of 27 per cent. from the \$59,674,345 total of the previous year and the lowest value ever reported for this industry. Automobile production alone amounted to 60,789 cars with a sales value, f.o.b. plant, of \$38,560,796. This was a decline of 26 per cent. in number and 27 per cent. in value from 1931 when 82,559 cars valued at \$52,964,936 were made. These figures indicated an average factory price per car of \$634 in 1932 as against corresponding averages of \$642 in 1931, \$598 in 1930 and \$785 in 1919. A total of 18 companies manufactured or assembled motor cars in Canada during 1932 and 25 separate factories were in operation. Of these establishments, 18 were located in Ontario, 3 in Quebec, 3 in British Columbia and 1 in Manitoba. It was calculated that during 1932 automobile plants operated at about 14 per cent. of their total estimated annual capacity of 364,425 automobiles and 61,970 trucks. Production in 1932 included 3,336 open passenger cars, 45,044 closed model passenger cars, 2,314 passenger car chassis and 10,095 trucks including truck, bus and other commercial chassis to make a total of 60,789 units. In the previous year 65,072 passenger cars and 17,487 trucks were made in Canada. Imports of automobiles and parts (other than engines) in 1932 were valued at \$12,797,083 as compared with \$21,823,404 in 1931, or a decline of about 41.4 per cent. Imports of automobile engines numbered 26,709 worth \$4,563,297 as compared with 22,384 engines valued at \$4,900,365 in 1931. Export trade in automobiles during 1932 amounted to \$7,091,994, representing an increase of \$470,484. The total sales of new automotive vehicles for the year amounted to 38,621 passenger cars having a retail value of \$38,919,015 and 7,249 trucks and buses at \$6,341,727. For the six months ended June, 1933, 38,262 cars were produced in Canada as compared with 39,669 in the first six months of 1932. Of the 1933 total, 32,859 were passenger cars and 5,403 were commercial cars and trucks. The Customs' records showed that in the first half of 1933, 929 cars were imported into Canada and 8,714 were exported, as against imports of 1,088 and exports of 3,119 in the first six months of 1933.

Sales of radio receiving sets in Canada by authorized manufacturers or importers during 1932 numbered 133,454 sets valued at \$6,758,959 (factory selling prices) which was a decline of 53 per cent. in the number of sets sold and of 63 per cent. in the receipts from sales from the previous year when 286,122 sets were sold for \$18,141,347. During 1932 the number sold followed production very closely, output for the entire year totalling 121,468 machines worth \$6,808,877 at factory prices as compared with a production of 291,711 sets at \$18,555,710 in 1931. On Dec. 31, 1932, radio manufacturers and authorized importers reported an inventory of 32,175 machines on hand as compared with an inventory of 34,521 at the end of 1931. Sales of radio receiving sets in Canada during the first six months of 1933 amounted to 35,898 units valued

at \$1,370,566, factory selling prices. This showed a decline from the corresponding figures in 1932 of 33 per cent. in the number of sets sold and 50 per cent. in receipts from sales.

The stone industry, comprising the stone quarrying industry and the monumental and ornamental stone industry, in 1932 included the operations of 525 plants, with a total capital investment of \$22,555,590. Salaried employees and wage-earners numbered 3,512 persons and their combined earnings amounted to \$3,251,609. Total production during the year was valued at \$6,975,553. Shipments of stone from Canadian quarries during 1932 amounted to 4,690,922 tons valued at \$4,938,461 as compared with 8,397,860 tons worth \$11,070,184 in 1931. Production during 1932 consisted of 490,822 tons of granite, 3,687,241 tons of limestone, 12,379 tons of marble and 500,480 tons of sandstone. The monumental and ornamental stone industry reported a production valued at \$2,961,914 in 1932 compared with a total of \$5,989,372 in 1931, a decline of 50 per cent., caused chiefly by unusual slackness in the building trades.

Canadian Manufacturers' Association. The national association of Canadian manufacturers reported a membership at Apr. 30, 1933, of 3,566. Its head office was in Toronto and it had Division and Branch offices in Montreal, Quebec, Amherst, Ottawa, Hamilton, Winnipeg, Edmonton, Vancouver and Victoria. W. C. Coulter, Toronto, was President; James E. Walsh, Toronto, General Manager, and John T. Stirrett, Toronto, General Secretary. Its Executive Council met four times during the year: Toronto, Sept. 29, 1932; Montreal, Nov. 24; Hamilton, Jan. 26, 1933; Toronto, May 22. At the meeting on Sept. 29 a report was presented on the work done during the Imperial Economic Conference on behalf of Canadian manufacturers. Referring to the Agreements effected at the Conference the report stated that "until actual tariff rates and other similar information are known, it is impossible to estimate accurately the full meaning and effect of the Agreements, but your Committee shares the general impression that the Conference attained a very considerable measure of success and should do much to increase trade among the countries of the Empire to their common benefit." Many matters were considered at the meeting in Montreal on Nov. 24 and special reports were presented reviewing activities at Division and Branch offices. In Hamilton on Jan. 26 the subject of unemployment insurance occupied first place on the agenda, the situation in Canada with respect to this matter being thoroughly discussed. At the meeting on May 22, the reports of standing committees to be presented at the Annual General Meeting were reviewed.

The 62nd Annual General Meeting was held in the Royal York Hotel, Toronto, June 6-7, 1933. Members were welcomed by Hon. Herbert A. Bruce, Lieutenant-Governor of Ontario; Hon. George S. Henry, Prime Minister of Ontario, and William J. Stewart, Mayor of Toronto. The Meeting was largely routine in character, its chief business being the reception and discussion of the customary reports of standing committees. The principal subjects under consideration were the effect of the Empire Trade Agreements on the business of Canadian manufacturers and the problems of unemployment and relief. No resolutions were put forward and special addresses were eliminated. At the annual banquet which concluded the proceedings, Sir Thomas White, K.C.M.G., was the guest of honour, his speech on that occasion dealing with world conditions.

The work of the five territorial divisions of the Association had meanwhile been reviewed at a series of annual meetings. The British Columbia Division met at Vancouver on May 12 and, after listening to reports on the year's activities, passed a resolution urging action that would give some encouragement to the importation of New Zealand butter, when the Canadian supply was inadequate to meet domestic requirements. John M. Imrie, Managing Director of the *Edmonton Journal*, addressed the Meeting, discussing prospects of trade with the Orient. The Ontario Division met at London

on May 3. At this meeting a resolution was passed approving the attitude of the Lieutenant-Governor of Ontario on the prevention of feeble-mindedness. The speaker of the occasion was Arthur R. Kennedy, Editor of the *Stratford Beacon-Herald*. The Quebec Division met in Montreal on May 5, the Maritime Division in Halifax on May 11, both with routine proceedings. The annual meeting of the Prairie Division took place at Calgary on Apr. 30. Officers elected by the Divisions were:

Chairman

British Columbia	J. G. Robson, New Westminster
Prairie	T. A. Wilson, Regina
Ontario	A. Ross Robertson, Toronto
Quebec	A. McA. Murphy, Montreal
Maritime	C. L. MacKay, Charlottetown

Vice-Chairman

Hugh MacLaren, Vancouver
J. A. Wotherspoon, Winnipeg
George Akehurst, Brampton
E. Howard Smith, Montreal
N. A. Hesler, Sackville

Production and Stocks of Liquor, 1932. In a Report published by the authority of the Minister of Trade and Commerce, in May, 1933, not only was the record of the control and sale of liquor in Canada for the year 1932 given, but also a valuable history of the whole liquor question in Canada, dating back to the first legislative restriction in 1663 in what is now the Dominion of Canada; this was with reference to the sale to the Indians in New France. In connection with existing conditions the Report gave production figures on spirits and malt liquors as taken from the reports of the Department of National Revenue to which the distillers, brewers and liquor warehouses were required to make regular returns. Data on the output of wine were taken from the Industrial Census reports. The output of spirits, the Report showed, had steadily increased from 1927 to 1930 after which there had been a considerable reduction.

Production: Spirits, Malt Liquors and Fermented Wines

Fiscal Year Ended Mar. 31	Spirits*	Malt Liquors	Fermented
	Proof Gal.	Gal.	Wines Gal.
1927.....	9,121,050	51,755,840	2,731,748
1928.....	11,596,200	58,397,913	4,351,123
1929.....	16,816,312	65,837,410	6,162,774
1930.....	16,813,433	63,450,516	5,718,354
1931.....	9,286,780	59,073,685	6,705,215
1932.....	7,099,637	52,297,431	.....

*Includes non-potable as well as potable spirits.

The imports and exports tables of alcoholic beverages for the years 1927 to 1932, inclusive, taken from reports on the Trade of Canada, do not include any estimate either of smuggling or other illegal traffic in liquor, or an estimate of the quantities carried across the border by tourists leaving the country.

Imports into Canada of Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Proof Gal.	\$	Gal.	\$	Gal.	\$
1927.....	1,587,475	27,277,008	153,105	333,383	901,857	1,701,924
1928.....	2,374,885	42,033,919	234,701	428,673	1,263,438	3,437,595
1929.....	2,604,769	44,750,649	242,100	495,531	1,334,792	3,597,931
1930.....	2,446,800	41,283,758	259,003	541,961	1,365,321	3,200,768
1931.....	1,990,574	32,662,269	230,995	482,357	1,089,897	2,290,011
1932.....	1,421,214	23,798,052	195,664	388,319	900,317	1,743,509

Exports from Canada of Canadian-made Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Gal.	\$	Gal.	\$	Gal.	\$
1927.....	1,583,365	19,164,764	4,252,583	5,554,092	34,179	119,197
1928.....	1,826,089	21,776,877	3,825,003	5,401,429	32,184	108,831
1929.....	2,389,543	24,389,885	4,110,698	5,608,366	40,046	120,656
1930.....	2,974,822	26,333,167	1,481,215	1,995,990	36,598	115,081
1931.....	3,288,506	18,877,041	270,102	337,210	11,441	71,793
1932.....	2,521,108	11,639,864	25,458	24,129	1,778	2,346

Re-exports from Canada of Imported Alcoholic Beverages

Fiscal Year Ended Mar. 31	Spirits		Malt Liquor		Wines	
	Gal.	\$	Gal.	\$	Gal.	\$
1927.....	143,043	2,843,010	12	144	19,921	324,489
1928.....	247,506	5,166,139	388	719	132,748	2,365,545
1929.....	245,185	5,206,934	634	2,340	195,227	2,983,155
1930.....	171,483	3,737,710	2,117	7,956	150,056	2,152,312
1931.....	26,258	521,228	4,366	7,303	18,573	298,179
1932.....	110	2,387	.....	.....	76	597

The Report stated that it was not possible to obtain accurate figures on the consumption of liquor in Canada as, except in Nova Scotia, Quebec, Ontario and Alberta, figures showing sales on a gallonage basis were not published by the Liquor Boards. Moreover, any figures showing the apparent consumption in Canada of spirits, malt liquors and wines, were obviously subjected to error, as they could include neither the considerable quantities carried away by individual tourists, nor the amounts involved in the illegal traffic of liquor, which had grown to fairly large proportions. Also, it was impossible to estimate increases or decreases in quantities held in stock by Liquor Control Boards or by licensees. Owing to exceptionally favourable conditions abroad, the Boards might buy heavily to replenish stocks or create reserves, thus unduly weighting the apparent consumption figure for that period. The total apparent consumption of spirits in Canada during the year 1932 was 2,461,994 proof gallons as compared with 3,078,938 in 1931; that of malt liquors was 52,424,989 gallons as compared with 59,029,034 in 1931; and that of native and imported wines, 7,603,678 as compared with 6,778,237.

The total Dominion revenue from the manufacture and sale of liquor, collected by the Government through Excise duties, Excise War taxes, Customs duties, and Excise duties on malt, was \$22,325,438 for the fiscal year ended Mar. 31, 1933, as compared with \$33,134,206 in the fiscal year 1932, and \$43,263,871 in 1931. (Separate data on the Sales tax collected by the Government were not available).

The control and sale of liquor in Canada (as at the end of 1933) was under the individual Provinces, each of which had its own Liquor Control Act, no two being exactly alike, but each framed to conform to conditions peculiar to the locality where it was in force. The salient feature of the existing legislation was the establishment of a Provincial monopoly of the retail sale of alcoholic beverages with the practical elimination of private profit therefrom; partial exception was made in the retail sale of malt liquor by brewers, which certain Provinces permitted, while reserving regulative rights and taxing such sales heavily. One Province permitted local wine growers to sell at retail under certain restrictions. In all the Provinces, however, spirits could be bought only at Government liquor stores. The manufacture of alcoholic beverages was still in private hands but under the supervision of the Liquor Boards or Commissions. (See Sections on individual Provinces for Liquor Board control).

Canada's Trade in 1932 and 1933

During the calendar year 1932, Canada maintained her high position in international trade amongst the principal commercial nations of the world, in total trade occupying seventh place, as in 1931. In export trade she once more moved up to fifth place—her position in 1930—displacing Belgium and Argentina, but in import trade, she moved down to ninth place, yielding eighth place to Japan. The foreign trade of Canada, during the year ended Mar. 31, 1933, although it suffered materially under the unprecedented handicaps which tended to reduce the trade of all nations, namely, increases in tariffs, extension of exchange controls, depreciated currencies, quotas and other restrictions, and a further world-wide decline in commodity prices, was estimated to have suffered less than that of most of the other principal commercial countries of the world. The value of Canada's imports in 1933 was lower than for any year after 1910, and exports than for any year after 1915.

Her trade with the world showed a further decrease during the year ended Mar. 31, 1933, of \$279,084,295 or 23.9 per cent.; her favourable balance of trade, however, increased by \$65,380,855, to \$74,442,468. The following table from the *Condensed Preliminary Report on the Trade of Canada, 1933*, (issued in July, 1933), gives a summary of Canada's world trade for the fiscal years 1931, 1932 and 1933:

Summary of Canada's Trade with the World

	Years Ended March 31,			Increase (+) Decrease (—)	
	1931 \$	1932 \$	1933 \$	1933 compared with— 1931 \$	1932 \$
Imports—					
Dutiable	574,090,230	388,498,048	256,349,685	—317,740,545	—132,148,363
Free	332,522,465	190,005,856	149,921,644	—182,600,821	—40,084,212
Total Imports ...	906,612,695	578,503,904	406,271,329	—500,341,366	—172,232,575
Exports—					
Canadian	799,742,667	576,344,302	473,799,955	—325,942,712	—102,544,347
Foreign	17,285,381	11,221,215	6,913,842	—10,371,539	—4,307,373
Total Exports ...	817,028,048	587,565,517	480,713,797	—336,314,251	—106,851,720
Total Trade	1,723,640,743	1,166,069,421	886,985,126	—836,655,617	—279,084,295
Balance of Trade:—					
Favourable (+), Un-					
favourable (—)...	—89,584,647	+ 9,061,613	+74,442,468	+164,027,115	+ 65,380,855
Six Months ended:—					
September 30	—71,631,276	—16,939,057	+16,207,208	+ 87,838,484	+ 33,146,265
March 31	—17,953,371	+26,000,670	+58,235,260	+ 76,188,631	+ 32,234,590

According to groups, Canada's principal imports in order, for the year ended Mar. 31, 1933, were: agricultural and vegetable products, \$88,220,858 (1931-32, \$128,621,260); non-metallic mineral products, \$87,658,005 (1931-32, \$102,147,347); fibres, textiles and textile products, \$61,214,824 (1931-32, \$83,879,362); iron and its products, \$59,336,765 (1931-32, \$98,811,706). With regard to exports of Canadian produce, agricultural and vegetable products came first with a total of \$203,370,418 (1931-32, \$204,398,365); then wood, wood products and paper, \$120,886,796 (1931-32, \$175,740,269); animals and animal products, \$54,333,047 (1931-32, \$68,798,683); and non-ferrous metals and products, \$42,642,318 (1931-32, \$69,072,888). Two of the lesser export groups, iron and its products and chemicals and allied products showed increases during 1932-33 as compared with the previous year.

Exports of Canadian products to foreign countries for the fiscal year ended Mar. 31, 1933, as stated in the *Quarterly Report of the Trade of Canada*, March, 1933, were valued at \$251,681,028 as compared with \$357,387,915 (revised figure) in the year ended Mar. 31, 1932; exports to the United States had a value of \$143,160,400 as against \$235,186,674 in the previous year. In order, other important purchasers of Canadian commodities were: the Netherlands, \$16,457,910; Belgium, \$14,490,939; France, \$12,730,226; Japan, \$10,327,492; Germany, \$8,057,105; and China, \$7,669,228.

Canada's imports from foreign countries in the fiscal year ended Mar. 31, 1933, were valued at \$285,999,420, as compared with \$430,691,911 in the preceding year; imports from the United States amounted to \$232,548,055 (as against \$351,686,775 in the previous year); from Germany, \$9,088,905; from France, \$7,712,558; from Japan, \$3,860,911; and from the Netherlands, \$3,715,998.

Canada's unfavourable balance of trade with the United States was less than for any fiscal year after 1908 except for the years 1909 (\$79,409,973) and 1925 (\$82,595,366). Having decreased from \$220,483,994 in 1931 to \$107,335,911 in 1932, it fell further to \$84,018,224 in 1933.

Reports of the Department of Trade and Commerce for the years 1932 and 1933 justified the statement issued on Jan. 20, 1933, of Hon. H. H.

Stevens, Minister of Trade and Commerce, that Canada's international trade was already showing the influence of the Imperial Economic Conference of that Summer; in general the tendency, he said, "apart from agreements, has been toward greater Empire trading, a reaction forced upon us by the policies of some other countries." Canada's exports for the year to the United Kingdom, he pointed out, had increased to such an extent that Great Britain had become her chief market, a position previously held by the United States.

Imports from the British Empire into Canada for the year ended Mar. 31, 1933, amounted to a total value of \$120,271,909 and exports from Canada to the Empire, \$222,118,927. The table below shows summaries of Canada's trade with the leading countries of the Empire:

Canada's Trade with the British Empire, Year ended Mar. 31, 1933

Imports		Value	Exports		Value
From			To		
United Kingdom		\$ 86,353,691	United Kingdom		\$184,361,019
Australia		5,902,587	Australia		7,312,574
Newfoundland		545,527	Newfoundland		5,644,225
British South Africa		4,907,064	British South Africa		4,001,538
New Zealand		969,704	New Zealand		3,608,500
Jamaica		3,194,364	Jamaica		2,430,410
British India		4,094,201	British India		2,414,586
Irish Free State		36,309	Irish Free State		2,247,162
Barbados		2,856,835	Barbados		1,049,944
British Guiana		2,299,814	British Guiana		806,550

A summary of Canada's trade with the United Kingdom for the year ended Mar. 31, 1931, 1932, and 1933, (from the Condensed Preliminary Report, *Trade of Canada, 1933*) appears below:

Summary of Canada's Trade with the United Kingdom

	Years Ended March 31,			Increase (+) Decrease (—)	
	1931 \$	1932 \$	1933 \$	1933 compared with— 1931 \$	1932 \$
Imports—					
Dutiable	108,570,362	79,693,730	55,664,050	—52,906,312	—24,029,680
Free	40,927,030	26,678,049	30,689,641	—10,237,389	+ 4,011,592
Total Imports	149,497,392	106,371,779	86,353,691	—63,143,701	—20,018,088
Exports—					
Canadian	219,246,499	174,043,725	184,361,019	—34,885,480	+10,317,294
Foreign	1,440,805	919,099	772,178	— 668,627	— 146,921
Total Exports	220,687,304	174,962,824	185,133,197	—35,554,107	+10,170,373
Total Trade	370,184,696	281,334,603	271,486,888	—98,697,808	— 9,847,715
Balance of Trade:—					
Favourable (+), Un- favourable (—) ...	+71,189,912	+68,591,045	+98,779,506	+27,589,594	+30,188,461
Six months ended:—					
September 30	+42,403,175	+29,491,306	+41,083,342	— 1,319,833	+11,592,036
March 31	+28,786,737	+39,099,739	+57,696,164	+28,909,427	+18,596,425

The decrease in imports from the United Kingdom in 1933 occurred in seven of the nine main groups; the increase in domestic exports occurred in four. The total value of each of the nine main groups of imports from the United Kingdom, arranged in order of importance, with increases and decreases, 1933 compared with 1932, was: (1) fibres, textiles and textile products, \$25,-580,195, decrease \$4,969,742; (2) agricultural and vegetable products, \$17,302,-932, decrease, \$12,918,065; (3) non-metallic minerals and products, \$12,582,165, increase \$2,295,924; (4) iron and its products, \$12,009,727, decrease \$1,373,895; (5) miscellaneous commodities, \$5,182,144, decrease \$1,925,831; (6) chemicals and allied products, \$4,583,344, increase \$486,648; (7) wood, wood products and paper, \$3,398,230, decrease \$428,794; (8) non-ferrous metals and products, \$3,308,947, decrease \$975,809; and (9) animals and animal products, \$2,406,007, decrease \$208,524.

The total value of each of the nine main groups of domestic exports to the United Kingdom, arranged in order of importance, with increase or decrease, 1933 compared with 1932, was: (1) agricultural and vegetable products, \$114,201,252, increase \$15,476,139; (2) animals and animal products, \$29,952,648, decrease \$2,075,517; (3) non-ferrous metals and products, \$14,598,651, decrease \$2,667,788; (4) wood, wood products and paper, \$11,301,796, decrease \$2,433,177; (5) iron and its products, \$5,574,895, increase \$1,776,532; (6) miscellaneous commodities, \$3,254,169, increase \$174,935; (7) chemicals and allied products, \$2,893,574, decrease \$237,221; (8) fibres, textiles and textile products, \$1,293,979, decrease \$92,256; and (9) non-metallic minerals and products, \$1,290,055, increase \$395,647.

Canada's Trade in 1933. According to the monthly *Summary of the Trade of Canada* (issued in February, 1934), the total trade of Canada (merchandise) in the calendar year, 1933, was valued at \$938,762,750 as compared with \$954,453,583 in the previous year; total imports amounted to \$401,254,311 (1932, \$452,614,267) and total exports, \$537,508,439 (1932, \$501,839,326). Canada's trade balance was favourable to the extent of \$136,254,128 in 1933 as against \$49,225,069 in 1932. Her trade balance with the United Kingdom was \$112,963,963 (1932, \$85,586,484) in her favour; and her balance with the United States, unfavourable to the extent of \$42,045,904, as against \$94,601,841 in the previous year.

Exports of Canadian products to foreign countries for the calendar year 1933 were valued at \$276,574,974 as against \$276,651,888 in 1932. Those to the United States had a value of \$170,534,208 (1932, \$162,630,779); others, in order of value: the Netherlands, \$18,440,912; Japan, \$13,001,704; Belgium, \$12,338,234; France, \$12,255,055; Germany, \$9,941,020; China, \$6,583,327.

Comparative figures for Canada's trade with principal countries of the British Empire, 1932 and 1933, are given below:

Canada's Trade with the British Empire, Calendar Years 1933 and 1932

Imports			Exports		
From	Value		To	Value	
	1933	1932		1933	1932
	\$	\$		\$	\$
United Kingdom	98,067,074	93,508,143	United Kingdom	210,414,331	178,171,680
Australia	5,079,778	5,845,187	Australia	10,208,286	7,133,007
Newfoundland	626,086	576,435	Newfoundland	6,024,740	5,644,747
British South Africa..	4,537,204	4,085,341	British South Africa..	5,700,671	4,415,877
New Zealand	2,013,392	855,723	New Zealand	3,832,688	3,405,667
Irish Free State.....	26,824	39,721	Irish Free State.....	3,422,074	2,578,931
British India	4,867,884	4,747,818	British India	2,660,860	2,731,820
Jamaica	2,742,714	3,293,316	Jamaica	2,519,298	2,383,521
Barbados	3,059,430	2,931,218	Barbados	963,561	1,095,418
British Guiana	1,968,349	2,861,963	British Guiana	824,627	709,635

The proportion of Canada's trade, in groups, was as follows:

Proportion of Trade with:	1932		1933	
	Imports %	Exports* %	Imports %	Exports* %
United Kingdom	20.7	36.1	24.4	39.6
British Empire	28.3	44.0	33.1	48.0
United States	58.2	32.9	54.2	32.1
Foreign Countries	71.7	56.0	66.9	52.0

*The comparatively small amount of foreign produce exported by Canada is omitted in these tables.

Trade Conventions. The Trade Agreement between Canada and the United Kingdom, (summary thereof published in *The Canadian Annual Review*, 1932, pp. 323-24), signed at Ottawa at the conclusion of the Imperial Economic Conference on Aug. 20, 1932, was implemented in Canada by tariff Resolutions introduced in Parliament on Oct. 12, and effective the following day. The ratifying Act was assented to on Nov. 25, 1932. In the United Kingdom, the Agreement was confirmed by the Ottawa Agreements Act, assented to on Nov. 15, and new preferences resulting therefrom went into

effect on Nov. 17, 1932. The Ottawa Agreements Act also ratified the Imperial Conference Agreements made by the United Kingdom with Australia, New Zealand, Union of South Africa, Southern Rhodesia, India, and Newfoundland. In the case of the Agreements with India and Newfoundland, the scheduled preferences accorded by the United Kingdom became effective Jan. 1, 1933, and July 4, 1933, respectively. The scheduled preferences granted by the United Kingdom under all these Agreements were to extend automatically to Canada.

The Canada-United Kingdom Agreement provided that certain of the non-self-governing Colonies and Protectorates should be asked to accord to Canada tariff preferences on specified articles, and also to extend to Canada any preferences that they might grant to any other part of the Empire. Implementing this Agreement, the various Colonies concerned passed legislation making practically all the desired concessions. The Colonies by which Canada was given new or increased preferences as a result were: British West Indies (13 colonies), Bermuda, British Guiana, British Honduras; Fiji; Straits Settlements; Federated Malay States; Unfederated Malay States; Ceylon; Hong Kong; Sarawak; Northern Rhodesia; Mauritius; and Cyprus.

In consequence of her Trade Agreement with Australia in 1931 (summarized in *The Canadian Annual Review, 1930-31*, pages 516-517) Canada received the benefit of amendments to the Australian tariff made on Oct. 14, 1932, in accordance with the Agreement between that Commonwealth and the United Kingdom concluded at the Imperial Economic Conference. Under the latter, United Kingdom goods which were free of duty in Australia, or subject to duty of 19 per cent. *ad valorem* or less, should have a preferential margin of 15 per cent. over any non-British country; when the rate to United Kingdom goods was over 19 per cent. but not over 29 per cent., the margin of preference was to be 17½ per cent.; when the rate of duty exceeded 29 per cent., 20 per cent., but provision of this margin was not in any case to compel a higher rate than 75 per cent. on foreign goods.

Trade Agreements negotiated by Canada with the Union of South Africa, Southern Rhodesia, and the Irish Free State at the Imperial Economic Conference, 1932, were implemented by legislation by all parties thereto. The formal Agreement with the Union of South Africa extended the tariff preferences which the two countries had been exchanging by legislative enactment for several years. By this arrangement Canada retained the preferences previously received on 13 items with the amount of preference increased on 2 of these items; secured preferences on 10 new items, and a guarantee of most-favoured-nation treatment on 15 other items where there was at the time no actual preference. The concessions by Canada comprised stabilization of preferences already enjoyed by the Union of South Africa by virtue of being under the British Preferential tariff of Canada, and some of the Australian Treaty rates. The revised preferences were proclaimed in force in the Union of South Africa on Oct. 13, 1932, and the Agreement was ratified by Parliament on Mar. 8, 1933; it was ratified in Canada by an Act assented to on Nov. 25, 1932.

The Agreement between Canada and Southern Rhodesia confirmed the exchange of their British Preferential schedules, which had been in effect for a long time, and stipulated definite preferences on a few articles of special interest to both countries. This Agreement was proclaimed in operation in Canada on Jan. 2, 1933, and promulgated in Southern Rhodesia on July 7, 1933.

By the Agreement with the Irish Free State, Canada guaranteed as low rates as applied to goods which were the produce or manufacture of the United Kingdom, in return for as favourable a tariff as the Irish Free State would apply to the produce or manufacture of any country. The Agreement was proclaimed in both countries with effect as from Jan. 2, 1933.

The Trade Agreement between Canada and New Zealand, which went into effect on May 24, 1932 (see *The Canadian Annual Review, 1932*, pages 513-4), and was to continue for one year, was renewed on the expiry of that

period for six months, being afterwards extended for a further period of six months, *i.e.*, to May 24, 1934.

Canada and France signed a new Trade Agreement at Ottawa on May 12, 1933, which went into force on June 10, 1933. Under this Agreement Canada was accorded the rates of the Minimum tariff and most-favoured-nation treatment on 185 items or parts of items of the French tariff, and reductions varying from 17 per cent. to 73 per cent. from the General tariff on 24 other items or parts of items. Among the articles on which Canada was accorded the French Minimum duties were wheat and flour, on which the Minimum rates were half the General tariff rates; canned salmon and lobsters up to a quantity of each of these products regulated by agreement; apples; common lumber; chemical woodpulp for the manufacture of artificial silk; agricultural machines; rubber tires and tubes; fresh and frozen mutton and beef and certain other meat products; hides and peltries; condensed milk without sugar; cheese; butter; honey; maple syrup and sugar; fish, fresh, dried, salted or smoked; confectionery; vegetables; varnishes; cement; printed matter; leather footwear; internal combustion engines; tractors; sewing machines; wireless apparatus; domestic electric appliances; tools; household wares of iron or steel; automobiles and parts; skates; hockey sticks. Goods on which Canada was granted an Intermediate tariff rate included: Cattle; beer; wall-board; wall paper; stoves; iron or steel pipes; asbestos pipes or board; leather gloves, and clothing. Canada granted to France the same rate as the British Preferential tariff on 7 items: reductions of 10 per cent. from the Intermediate tariff on 77 items, 15 per cent. on 5 items, 20 per cent. on 11 items, and 25 per cent. on 2 items, and the rates of the Canadian Intermediate tariff on a further list of products, as well as most-favoured-nation treatment on goods covered by the Agreement. Other provisions of the Agreement related to import restrictions, export duties, internal taxes, certificates of origin, protection against dishonest competition, verification of dutiable value, depreciated currency surtaxes, and anti-dumping duties. The Agreement provided that products of the French colonies should receive the same tariff treatment in Canada as products of France. Reciprocally, the same reductions as in France applied to Canadian products imported into the French colonies having the same tariff as France (except in the case of beer and cement imported into French Indo-China); and in French colonies having separate tariffs all Canadian goods, included within the scope of the Agreement, received the lowest rates of duty in force.

A Canadian Order-in-Council was passed on Dec. 27, 1932, exchanging the Canadian Intermediate tariff for suspension of the German Super tariff, and the benefit of all existing German Conventional rates. This arrangement was for a period of three months only, but on its expiration on Apr. 1, 1933, a new arrangement was made effective for a period of nine months. The new arrangement renewed extension to Germany of the Canadian Intermediate tariff, subject to reciprocal action on the part of the German Government by granting to Canadian products the rates of the German Conventional tariff and, on those items on which there are no Conventional rates, the rates of the German General tariff, for such time as German products are treated in Canada not less favourably than those of any other foreign country.

An Agreement entered into between Canada and Austria, effective July 10, 1933, ensured for imports from Canada most-favoured-nation tariff treatment in Austria, in return for which Austrian natural or manufactured products were accorded the rates of the Canadian Intermediate tariff. The arrangement was to remain in force until Dec. 31, 1933. Austrian goods had been subject to the Canadian general tariff, while Austria had in force a general tariff on all items, and, on a limited number of items, conventional or lower duties which arose out of treaties with other countries. The pact guaranteed to Canada the benefits of the conventional duties.

Wholesale and Retail Trade; Chain Stores. A preliminary Report on the Wholesale Trade of Canada for 1930 (issued in 1933) showed that in that year there were 12,914 wholesale establishments in Canada with

sales of \$3,133,733,700; with 95,823 employees and pay-rolls for all establishments amounting to \$149,443,400. Wholesalers proper, numbering 5,008, had sales of \$1,092,933,700; and 7,906 other wholesale establishments handled sales and orders to the value of \$2,040,800,000. Of the total wholesale trade, the Province of Ontario had 31.2 per cent.; Quebec, 27.1 per cent.; the Prairie Provinces, 29.0 per cent.; British Columbia, 7.9 per cent.; and the Maritime Provinces, 4.8 per cent. The distribution of the business of wholesalers proper was as follows: Ontario, 34.7 per cent.; Quebec, 32.4 per cent.; the Prairie Provinces, 16.6 per cent.; British Columbia, 9.1 per cent.; and the Maritime Provinces, 7.2 per cent. Approximately two-thirds of the total wholesale business in Canada was transacted in the four cities—Montreal, Toronto, Winnipeg and Vancouver. The value of sales and orders placed for 1,505 manufacturers' sales branches was \$532,296,200 and that for 125 general sales offices, \$189,768,800. Co-operative marketing associations, numbering 137, handled products to the value of \$200,047,600 in 1930. Manufacturers' agents arranged sales and orders amounting to \$161,636,900, while 22 exporters, on their own account, reported \$130,459,000. Other types of wholesale establishments reporting business in excess of \$100,000,000 were, elevators with \$109,704,400; chain store warehouses with \$109,627,100; and commission merchants with \$103,998,000.

According to a preliminary summary for 1930 (issued in 1933) the total retail trade in Canada, including the Yukon and North-west Territories, was \$3,041,191,000. There were 121,942 retail stores with sales of \$2,805,075,800 and 41,094 service establishments with \$236,115,200 receipts. The retail stores provided employment for 304,454 persons who received \$308,631,600, while 68,301 employees in service establishments received \$67,029,300 as salaries and wages. The largest amount of trade was handled by the general merchandise group, in which there were 15,342 stores with sales of \$714,056,000. Department stores and the larger general stores did a business of \$399,407,900, while general stores with groceries had sales of \$228,986,800. The largest number of stores was found in the food group, in which there were 41,832 establishments with sales of \$609,411,700; in addition, the retail business of bakeries and dairies amounted to \$98,270,588 in 1930. The automotive group was third in size with \$381,720,900 sales reported by 13,019 establishments. Then followed the apparel and clothing group with 10,312 establishments and \$210,058,300 sales; the lumber and building materials group with 6,045 establishments and \$165,735,400 sales; the restaurant group with 6,396 establishments and \$87,106,200 sales; and the furniture group with 2,083 establishments and \$58,477,000 sales.

A survey of chain store operations in Canada (issued in 1933) reported that in the retail merchandising field in 1930 there were 523 chains operating 8,573 stores, with total net sales of \$548,185,259. Of the total number, 201 were local chains with 1,333 units and net sales of \$67,670,372; 203 were Provincial chains with 2,922 units and net sales of \$208,839,447; 60 were sectional chains with 1,696 units and net sales of \$102,324,533; 59 were national, operating 2,622 units and with net sales of \$169,350,907. According to groups, the figures were as follows: general merchandise, 52 chains, 611 stores and net sales of \$107,077,192; apparel, 81 chains, 660 stores and net sales of \$31,075,260; furniture and household appliances, 37 chains, 481 stores and net sales of \$29,404,176; lumber and building, 62 chains, 1,122 stores and net sales of \$23,919,411; food, 120 chains, 2,669 stores and net sales of \$137,398,785; restaurant, 21 chains, 290 stores and net sales of \$14,283,226; automotive, 42 chains, 841 stores and net sales of \$34,708,474; and other groups, 108 chains, 1,899 stores and net sales of \$170,318,735.

The Tourist Trade in 1932. As compared with the generally depressed state of trade and industry during the previous few years, Canada's tourist business exhibited a rather surprising vitality. According to the Report for 1932 of the Dominion Bureau of Statistics (issued, May, 1933), there was a considerable fall from the high level of 1929 with an acceleration in the rate of decline of both volume of travel and expenditures during 1932;

nevertheless, tourist travel with its related activities—a so-called luxury industry—was relatively well maintained. Of Canada's exportable commodities, only wheat and paper ranked with it in importance and during the previous few years of drastic price deflation it had surpassed both. The total expenditures in 1932 of tourists from other countries in Canada, were estimated at \$194,093,000 (\$212,448,000 in Canadian dollars) as compared with \$250,776,000 in 1931. Tourists visiting Canada were divided into three classes (a) tourists from overseas countries, whose expenditures amounted to \$10,543,000; (b) tourists from the United States by automobile, \$145,307,000 (\$159,838,000 in Canadian dollars); (c) tourists from the United States by rail and steamer, \$38,243,000 (\$42,067,000 in Canadian dollars). Tourists from Overseas countries in 1932 totalled 10,755, as compared with 12,229 in 1931; automobiles from the United States numbered 4,103,777, a decline of 16 per cent. from the previous year; 3,070,390 for a period not exceeding 24 hours, 1,032,967 not exceeding 60 days, and 420 exceeding 60 days and not more than 6 months. The number of tourists to Canada from the United States by rail and steamer was estimated at 849,851.

The expenditures of Canadian tourists in foreign countries was given as follows: (a) tourists to overseas countries, \$19,255,000; (b) tourists to the United States by automobile, \$27,247,000; (c) tourists to the United States by rail and steamer, \$10,901,000. The total expenditures amounted to \$57,403,000 in 1932 as against \$76,452,000 in 1931. Canadian automobiles exported for touring purposes showed a substantial falling-off during 1932, totalling 376,857 as compared with 536,855 in 1931.

The Department of Trade and Commerce. This important Department of the Government, through the constructive efforts of the Minister, Hon. H. H. Stevens, continued, during the fiscal year 1932-33, its valuable work of widening Canada's trade opportunities in other parts of the Empire and in foreign countries, through publicity and through the representations of its thirty-three Trade Commissioners and their assistants who were established in offices in all the important centres of the world; periodical reports from these agents of the Government, showing the changes in the economic situation in each country, were published regularly in the *Commercial Intelligence Bulletin*, issued weekly by the Department. The volume of inquiries reaching the Foreign Tariffs Division, considerably increased since the consummation of trade arrangements with Australia and New Zealand in 1931 and 1932, became still more greatly enlarged, even in the short remaining period before the end of the fiscal year, upon the execution of the four Inter-Empire Trade Treaties at the Imperial Economic Conference at Ottawa, on Aug. 20, 1932. With these new trade extensions and, in addition, with those later concluded with Germany, France and Austria (see preceding pages under "Trade Conventions"), it was expected that the Foreign Tariffs Division and other branches of the Department would find their work, in the future, greatly amplified.

The Dominion Bureau of Statistics, as a division of the Department under the direction of R. H. Coats, F.R.S.C., F.S.S. (Hon.), carried on its important work of collecting, tabulating, analysing and making available to the public, statistics in practically every phase of Canada's industrial and economic life; these included telegraphic crop reports during the season of growth, live stock surveys, bulletins covering the Maritime Provinces, the Prairie Provinces, Ontario, Quebec and British Columbia, a *Monthly Wheat Review* and weekly reviews of the grain trade. Other branches of the Department carrying on progressive work were the Exhibition Commission with headquarters in London, England; the Motion Picture Bureau; the Board of Grain Commissioners for Canada (see preceding pages); the Weights and Measures Inspection Service; and the Electricity and Gas Inspection Branch. In addition, the Department had charge of mail subsidies and steamship subventions, the administration of the Gold and Silver Marking Act, and the distribution of bounties on specified Canadian products.

Among the unusual activities of the Department during the fiscal year was its participation in the proceedings of the Imperial Economic Conference, July-August. There was the notable work performed by the Minister (Mr. Stevens), as Member of the Committee on Promotion of Trade within the Commonwealth and as Chairman of the Committee on Monetary and Financial Questions; there was the assistance rendered, in an advisory capacity, by the several officials who attended as Departmental representatives; and there was the vast amount of preparatory work in the collation of information for the use of the delegates at the Conference.

Important addresses were delivered throughout Canada by the Minister of the Department during the year; these, besides interpreting the policy of the Government with regard to trade affairs, presented the results of penetrating analyses of general industrial problems affecting the country, as well as the position of finance in relation to industry. At a luncheon of Directors of the Canadian National Exhibition on Sept. 3, 1932, at Toronto, Mr. Stevens appealed for more active and enterprising sales methods in foreign markets. There were, he stated, few manufacturers who were in a position to maintain salesmen abroad, but a system of co-operation in their export merchandising, a plan he had urged on other occasions, could be worked out; apparently, however, the fear of a competitor in Canada becoming a competitor abroad was preventing, he thought, the inauguration of such a scheme. He pointed out that while the Dominion Government, through their Trade Commissioners, could sell Canada, they could not sell Canadian goods. Regretting that Canadian manufacturers were not more alive to the trade possibilities in West and East Africa and to new markets opening up in the Orient, he spoke of the vast opportunities for Canadian trade in Manchuria. Some weeks later, in the same city, before the Transportation Section of the Society of Automotive Engineers (Oct. 4), when alluding to commercial failures Mr. Stevens questioned, "How big can an enterprise grow and still remain within the capacity of one man's mind? Have we not overdone this thing of merging? He decried revolutionary and destructive methods as being abortive and useless. While industry was "veritably choked with goods," he stated, yet it was not a matter of "too much goods but it is the distribution system which is at fault." (*The Mail and Empire*). Discussing the question of loans and interest rates before the Canadian Club, Victoria, on Dec. 15, he expressed his belief that "a sharper line of demarcation must be drawn for loans of purely speculative financing, and financing for *bona fide* commercial enterprises. There ought to be something in the Dominion Statutes to correct this and I think there will be." (*Canadian Press Dispatch*). In an address to a section of the Canadian Pulp and Paper Association at Montreal on Jan. 26, 1933, he declared that good export prospects existed for the industry despite temporary drawbacks. "I believe it would be well to recognize that the financial structure of the industry has not been wisely built; that there has been over-capitalization; over-production; and that plants have been badly placed. It would be advisable to give less power to the financial operator and more control to the technical expert." He did not believe that Canada required imports of paper products; closer co-operation between the pulp and paper industry and industries more or less allied with it could overcome part of their difficulties. In conclusion, the Minister added a warning that tariffs should not be used merely to raise prices.

TRANSPORTATION AND COMMUNICATION

Measures for the Relief of the Railway Situation

The Royal Commission, with Rt. Hon. Lyman Poore Duff as Chairman, appointed by the Dominion Government late in 1931 to investigate the whole railway situation in Canada, completed its labours in August of the following year. Its Report, signed by all seven members (see *The Canadian Annual Review*, 1932, pp. 535-39), was submitted to the Government on Sept. 16, 1932. The main recommendations were embodied in a Bill introduced in the Senate on Oct. 27 (see pp. 54-60, this volume) by Rt. Hon. Arthur Meighen. Having been passed by both the Senate and the Commons, it received the Royal Assent on May 23, 1933, and went into effect on July 1. The measure, designated as The Act Respecting the Canadian National Railways, and to Provide Co-operation with the Canadian Pacific Railway System and for other Purposes, was in four parts. The concluding part was a definite and significant statement as to the limited extent of the Act. It declared: "Nothing in this Act shall be deemed to authorize the amalgamation of any railway company which is comprised in National Railways with any railway company which is comprised in Pacific Railways nor to authorize the unified management and control of the railway system which forms part of National Railways with the railway system which forms part of Pacific Railways." The following is a brief summary of the Act:

Part I, dealing wholly with the Canadian National, provided for the appointment by the Government, in place of the former Board of Directors, of three trustees, who should make a Report annually to Parliament, and one of whom—the Chairman, appointed for a term of five years,—should devote his whole time to the performance of the duties of that one office and to no other. Each of the other trustees should be appointed for terms of less than five years and of different duration. The salaries of the trustees, to be fixed by the Government, should be paid by the C.N.R. and only with the consent of Parliament should a trustee be removed from office or suffer any reduction in salary. The trustees were empowered to appoint a chief co-operating officer of the C.N.R., to be responsible to them alone, to act in consultation with them and to hold "the titular rank of President." The annual budget of the C.N.R. should be under the control of the trustees and estimates should be submitted for approval to the Government and, afterwards, to Parliament. Income deficits should not be funded and amounts provided by Parliament to meet capital expenditures should not be diverted to cover deficits in operation unless with the express authority of Parliament. Independent auditors, to be annually appointed by Parliament, should submit a yearly report to the latter. All freight destined for export by sea and carried by the C.N.R. should be exported through Canadian seaports unless otherwise routed.

Part II of the Act directed that the Canadian Pacific and Canadian National Railways should agree upon co-operative plans for the purposes of effecting economies and providing for more remunerative operations, and that, at the same time, consideration should be given to the fair apportionment of the employment that might be involved in such arrangements. The

agreements should be effected by the trustees of the C.N.R. and by the Board of Directors of the C.P.R.

Part III provided for the erection of tribunals, composed of the Chief Commissioner of the Board of Railway Commissioners as presiding officer and a representative each from the C.P.R. and the C.N.R. (two additional members were to be appointed where considered necessary by the presiding officer), to settle such disputes between the two Railways as might arise from negotiations toward arrangements concerning the joint use of terminals; running rights and joint use of tracks; control and prohibition in respect of the construction of new lines and provision of facilities and additional services; joint use of facilities; and pooling of freight or passenger traffic. No tribunal, however, should have the power to order the inclusion in any arrangement of the construction of extensions and additions to existing railway lines, terminals or facilities, except in such minor matters as connections. The rules and regulations concerning the constitution of the tribunals, which were set forth in detail, included the following: orders should have the same force upon the Railway Companies as those of the Board of Railway Commissioners for Canada had; every tribunal should have the powers and privileges of a superior court; the presiding officer of any tribunal, in a dispute of substantial concern to the public, might permit representations to be made at the sittings of such persons as should be heard; and many others.

Speaking on November 17, 1932, before the Standing Committee on Railways, Telegraphs and Harbours of the Senate, to whom the Railway Bill had been referred after second reading on Nov. 4, E. W. Beatty, K.C., President of the Canadian Pacific Railway, declared that the magnitude of the C.P.R. and its importance to the country entitled the Company to consideration in any legislative measure affecting their control of their property. He pointed out that the Company had provided Canada with a transportation service on land and sea unexcelled in the world, and that "there is no part of her settled territory and no phase of her commercial life and welfare that is not touched by the operations of the Company and concerned in the continued success of its enterprise." He drew attention to the statement of the Royal Commission that the Company was Canada's largest taxpayer; its tax bill during the previous ten years had averaged more than \$7,000,000 *per annum*; since its incorporation it had paid upward of \$116,000,000 in taxes, and during the previous fifteen years it had contributed to the Federal Exchequer the sum of \$25,-500,000. Mr. Beatty continued:

As a citizen it has contributed its full share to institutions of a public nature for the advancement of social and commercial welfare. During the War it was able to advance or guarantee to the Empire cause more than \$100,000,000, and to furnish the means of transportation for approximately 1,000,000 soldiers and 4,000,000 tons of War supplies. Since its inception it has been the foremost agency in Canada in the work of colonization, immigration and the development of natural resources, expending for that purpose more than \$100,000,000—a sum greater than that expended by the Dominion Government on similar work over the same period. It has settled more than 30,000,000 acres of land in the Western Provinces, and has been the instrument of bringing millions of dollars of foreign capital to Canada for the development of its mines, timber and other resources, and for the establishment of new industries. Coming down to more recent years, during the period 1930-31, the Company, at the request of the Government, anticipated works of construction not immediately necessary and has spent \$15,800,000 with the approval of its Directors and Shareholders in works of this nature in order to improve unemployment conditions.

... Quite obviously, there is only one way in which the maximum economies are obtainable and that is unification for the purposes of administration, whether for a limited number of years or for a long term.

... It will tax the ingenuity of any board of trustees or board of directors to reconcile competition and co-operation. The best results under this hybrid form of administration can only be secured by the maximum of goodwill on the part of the administrators of the two properties, and more can be secured through friendly joint efforts than through a tribunal having the duties of arbitrators. The very fact that a higher authority exists will tend to relax these efforts by weakening responsibility. I urge this in the interests of both companies. And it is a peculiar commentary on the logic of the Commission's findings when we read that consolidation for the purpose of administration is rejected because it would put too great a power in the hands of a few men. This menace, in their judgment, is overcome by putting it into the hands of one man.

Against the principle of compulsory arbitration embodied in Part III of the Bill, the Company must enter its most vigorous protest... the jurisdiction of the Arbitral Tribunals embraces matters of so great importance as to amount to virtual control in all major branches of its undertaking. Take alone the subject of joint terminals and the pooling of traffic. The former are the nerve centres of railway operations and the latter involve the whole benefits received from such operations. It is to be open to either party to propose measures involving these vital matters, and, if agreement is not reached, both the principle of the proposal and the terms on which it is to be carried out are to be left to arbitration. . . . The Company welcomes the suggestion of voluntary agreement as to such matters . . . but the Company is startled by the suggestion that they may be forced upon it by an authority not responsible to its shareholders. Control by a tribunal constituted as proposed should not be imposed upon any privately owned railway company operating in competition with the Government railways.

... it will be observed that whether they (the arbitral tribunals) consist of three or five members, the Canadian Pacific is in every case to have a voice in the appointment of only one member of the Board. In the last analysis, therefore, the Company will be completely divested of control of its property in favour of an outside authority. . . . I would suggest (therefore), for your consideration, that the Government of Canada and the Canadian Pacific should enter into an agreement for a period of years by which the Company would agree to this form of administration upon receiving protection to the holders of its securities and shares.

In further comment upon the Railway Bill, Mr. Beatty, in a statement issued shortly after the New Year (Jan. 2, 1933), condemned the proposed solution of the Royal Commission in that it was based upon "what the Commission thought the people of Canada would be willing to accept rather than upon the stern necessities of the case." Referring to the continued drastic and unprecedented declines of the railroads, he said:

I hesitate to prophesy any great increase in gross earnings and it is my deeply considered conviction that if the railways over the next ten or fifteen years are to live anywhere within their income, economies will have to go very much further indeed than has yet been considered. . . . For years we have been impelled towards large capital expenditures and, at the same time competitive transportation agencies have been built up and maintained out of public funds. The Deputy Minister of Public Works of Ontario recently stated that the total cost of highways in Canada was \$617,323,000 while the preliminary Report of the Dominion Bureau of Statistics puts the total expenditure for road construction for 1931 at \$66,250,000. Both of these amounts reflect more than anything else the advent of motorized road traffic. According to the Department of Railways and Canals, Canada's total invest-

ment in canals at Mar. 31, 1931, was \$236,216,461. For approximately eight months of the year they compete with the railways and they are toll free, their users contributing nothing to either operating costs or interest charges. Keeping these facts in view and having in mind the probable course of economic events over the next few years, the urgency of the need for fundamental change in our railway policy should be clearly apparent.

In two other outstanding addresses, delivered before the Canadian Club at Toronto (Jan. 16) and before the Canadian Club at Winnipeg (Feb. 8), Mr. Beatty proffered a more definite plan for the solution of the railway problem and refuted some of the objections to unification. On the first occasion, he declared that limitation of capital expenditure, reduction of mileage to accord with the actual needs of transportation and of national development, and elimination of all expenditures "designed to secure traffic for a competing railway rather than provide a necessary service for the public . . . can only be obtained if we consolidate our two railways into one system with one management." Such action, he continued, should be accompanied by "a proper measure of responsibility on some agreed basis, either by the Government to the Canadian Pacific and its shareholders, or by the Canadian Pacific to the Government in relief of its railway burden. By no other means can we secure a sound business administration for our railway undertaking and relief to the taxpayers of Canada." Mr. Beatty maintained that, had the proposals of either Lord Shaughnessy in 1917 or of the Special Committee of the Senate in 1925, advocating the virtual amalgamation of the two Railways, under either public or private control, been acted upon, the country would have saved hundreds of millions of dollars. He denied that there was any foundation for the objection that unification constituted a virtual monopoly of railway transportation, as it would be stipulated in such case that "any action taken by the combined company, which affects the public interest, should be subject to review." He minimized the possible serious effect of consolidation upon employment, stating that the normal turnover of labour would absorb the majority of those displaced, as the adjustments were made.

In the course of his speech at Winnipeg on Feb. 8, which was mainly a reiteration of the above, Mr. Beatty declared: "No scheme of co-operation between competing companies, however far it may be pursued, will effect these essential economies without risk to the integrity of one property or the other and corresponding damage to Canadian credit. The necessary economies can be reached through some form of unified operation and control . . . with safeguards sufficient to relieve the anxiety of those most obsessed with the dread of monopoly." (*The Gazette*, Montreal, Feb. 9, 1933).

In the meantime, on Dec. 12, while the action of Parliament on the Railway Bill was still pending, a joint meeting of the Executive Committees of the Canadian Pacific and Canadian National Railways was held in Montreal, following which a statement was issued by E. W. Beatty, President of the C.P.R., and S. J. Hungerford,

Acting President of the C.N.R. This declared that the Companies aimed to carry forward the principle of co-operation in order to effect economies to the fullest extent possible. "The policy of further co-operation between the two railway companies," it concluded, "was agreed upon and it was decided to appoint a joint committee to formulate plans for carrying it out." On Mar. 21, 1933, it was officially announced by the two Presidents that the pooling of all passenger train services of the C.P.R. and C.N.R. between Ottawa and Toronto, and of the fast afternoon trains between Montreal and Toronto, would become effective on Apr. 2.

Steam Railways of Canada During 1932-33

With gross earnings amounting to \$293,390,415, only 52 per cent. of the total for the peak year of 1928, the year 1932 was the fourth consecutive year to show a decline in the gross operating revenue of Canada's steam railways. The 1932 earnings included \$216,738,424 from freight, \$36,513,828 from passenger receipts and \$23,953,758 from other passenger train revenues and as compared with total gross earnings of \$358,549,382 for 1931 and \$454,231,650 for 1930. Total operating expenses for 1932 amounted to \$256,668,375, as compared with \$321,025,588 for 1931 and \$380,723,411 for 1930. The items included in the 1932 total were as follows: maintenance of way and structures, \$50,527,939; maintenance of equipment, \$49,583,336; traffic, \$13,233,968; transportation—rail line, \$128,288,664; transportation—water line, \$860,291; miscellaneous operations, \$2,992,185; general expenses, \$11,661,090; and transportation for investment—Cr., \$479,098, making up the total of \$256,668,375. This left a net operating revenue of \$36,722,040, as compared with \$37,523,794 for 1931, \$73,508,239 for 1930 and \$121,030,990 for the peak year 1928. *The Report on Statistics of Steam Railways of Canada*, which was compiled from returns from the railways in accordance with the Railway Act, 1919, and from which this summary has been taken, showed that there had been an increase, during the year 1932, of \$4,985,841 in interest charges, the total amounting to \$117,718,043. After making all income additions and deductions, the net income amounted to a debit of \$98,392,043. Debits of \$81,480,027 and \$27,640,229, respectively, had been shown for the years 1931 and 1930; from 1926 to 1929 credits had been earned. No dividends on common stock were paid during the year 1932 and preferred stock dividends were reduced from \$5,273,590 in 1931 to \$2,766,198 in 1932. Sinking funds and reserves were also reduced from \$5,171,166 in 1931 to \$1,291,719 in 1932; the Report stated that this was considerably in excess of the average appropriations for sinking funds and reserves during the previous ten years. Taxes for 1932 amounted to \$8,541,870 as compared to \$9,164,531 in 1931 and \$9,631,036 in 1930. The main reductions for 1932 occurred in Alberta, \$286,120, and in Income tax, \$362,793.

Freight train loadings increased from 509 revenue tons in 1930 to 514 tons in 1931 and to 517 tons in 1932, but they were still well below the recorded number of 557 tons for 1928 and 523 tons for 1929. The average freight per ton mile was only 0.937 cents, which was the lowest since the general rate increases became effective in 1918, grain constituting in 1932 a larger percentage of the total freight than in any other year during the previous ten-year period. The average passenger revenue per passenger mile of 2.54 cents was also the lowest since 1918. Grain, although carried at the low rate of slightly over half a cent per ton mile, helped to offset large decreases in other commodities owing to the long haul, about twice that of other freight, coupled with its fairly heavy tonnage. Wheat was heavier in 1932 than in 1931 by 1,680,530 tons, but other grains showed decreases and the total tonnage of agricultural products amounting to 18,901,021 was above the 1931 total by 714,506 tons. Animal products showed a decrease of 247,472 tons and mine

products a decrease of 6,120,249 tons. Sand, gravel and crushed stone declined by 3,071,538 tons, or 58 per cent. Asphalt and crude petroleum also showed large percentage decreases. Bituminous coal was lighter by 1,772,418 tons, or 18 per cent., and anthracite coal decreased by 623,209 tons, or 20 per cent. Ties, pulpwood and lumber decreased 47 per cent., 38 per cent., and 35 per cent. respectively, and total forest products decreased by 2,200,937 tons or 28 per cent. In the manufactures and miscellaneous group, canned goods being the only commodity to show an increase, the total of 14,502,258 tons was less than for 1931 by 5,468,060 tons, or 27 per cent. The tonnage of iron, pig and bloom, was only 84,127 tons, or 41 per cent. of the 1931 tonnage. Structural bar and sheet iron and steel, cement, brick, sewer pipe and drain tile were all less than half of the 1931 tonnages. Automobiles decreased by 343,131 tons, or 31 per cent.; practically all of this was in imports.

Passenger traffic also continued light and showed a drop of 20 per cent. from 1931 records in passengers carried and 23 per cent. in passenger revenue. The number of passengers carried (21,099,582) was less than for any other year after 1902 when the railway mileage was about 44 per cent. of the 1932 mileage and the population of Canada was about 50 per cent. of the 1932 population. Despite the use of rail motor cars and the reduction of passenger train mileage, the average passenger train revenue per train mile decreased to \$1.57, as compared with \$1.68 in 1931, \$2.02 in 1930 and \$2.33 in 1929. There was an average of only 37 passengers per train and 9 passengers per car, excluding express, postal and all cars in passenger trains not used for carrying passengers, but including all passenger cars on mixed motor and passenger trains.

There was a net increase in single track mileage, during the year 1932, of 128.98 miles, of which 170.47 miles were in Saskatchewan, 22.44 miles in Alberta and 2.44 miles in Ontario. There was a decrease of 46.87 miles in Quebec and 12.06 miles in British Columbia. New mileage opened for operation amounted to 306.12 miles and at the end of the year 346 miles were under contract and 290.76 miles were completed, but not opened for operation; this was exclusive of 75.8 miles surveyed only in British Columbia.

Car loadings for the year 1932 totalled 2,173,087, a decrease from the 1931 loadings of 401,924 cars, or 15.6 per cent. and a decrease of 41 per cent. from the peak year, 1928. The heaviest decrease from the 1931 loadings was 172,082 cars, or 27 per cent. in miscellaneous freight. Merchandise decreased by 94,618 cars, or 12 per cent.; lumber, by 35,664 cars, or 38 per cent.; and pulpwood by 30,127 cars, or 41 per cent. Coke, with an increase of 326 cars, was the only commodity to show heavier loadings than in 1931. (See figures for 1933 on page 421).

The total payroll of all Canadian railways for 1932 amounted to \$181,113,588; as compared with 1931 it showed a decrease of \$48,385,917. The number of employees in 1932 decreased by 21,891; the total for 1932 being 132,678 (average monthly). The total time worked, computed by converting the days to hours, on a basis of 8 hours per day, was less than in 1931 by 16.7 per cent. Maintenance of equipment employees showed a reduction of 15.1 per cent. Under "Maintenance of Way and Structures" extra gang and snow-plough foremen were reduced by 45 per cent., labourers, by 50 per cent. and telephone and telegraph linemen and groundmen by 43 per cent. The reduction in the whole class was 18.3 per cent.

In 1932 there were 7 passengers killed in Canadian train accidents and 339 were injured, an average of one killed in each 3 million passengers carried and one injured in each 62 thousand.

Protected highway crossings increased from 1,376 urban to 1,381 and from 1,330 rural to 1,349 and the number of unprotected crossings increased from 29,042 to 29,242 during the year 1932.

At the end of the year 1932 there were fewer in number of all classes of freight cars in service and less in capacity than at the beginning of the year, but the average capacities increased, indicating a scrapping of old, small-

capacity equipment. There were 111 fewer locomotives in service in 1932, the total being 5,266 for that year, and the average tractive power remained practically unchanged at 37,132 pounds.

Total tons of fuel consumed by railways during 1932 amounted to 6,290,618 tons at a cost of \$26,479,644; the average cost per ton was \$4.21. For rail motor cars 441,366 gal. of gasoline were used, 348,423 gal. of oil, at a total cost of \$95,984. The 6,290,618 tons of fuel consumed by railways included 12,144 gal. of gasoline, 51,294,671 gal. of oil, 16,276 cords of wood, 5,955,324 tons of bituminous coal, and 1,934 tons of anthracite coal.

The Railways in 1933. Comparative statistics on railways for the six months ended June 30, 1933, published by the Dominion Bureau of Statistics (Transportation Branch) showed no improvement in railway conditions. For all railways, the operating revenues for the first six months of 1933 amounted to \$120,328,621, as compared to \$141,502,661 for the same period of 1932; operating expenses for the first six months of 1933 amounted to \$113,284,398, as compared to \$130,478,052 in 1932; net operating revenue was \$7,044,223, as compared with \$11,024,609; operating income was \$1,192,139, as compared with \$5,751,716. The condition of the Canadian National Railways during this six months' period of 1933 was as follows: operating revenues, including United States Lines (\$10,513,394 as compared with \$11,315,762 for the six months of 1932) were \$67,474,871 as compared with \$80,172,488 for 1932; operating expenses, including United States Lines (\$10,017,758 in 1933 and \$11,075,610 in 1932) were \$70,453,853 as compared with \$79,552,120 for 1932; net operating revenue, including United States Lines (Cr. \$495,636 in 1933 and Cr. \$240,152 in 1932) was \$2,978,982 as compared with a net operating revenue (on the credit side) of \$620,368; and operating income, including United States Lines (Dr. \$916,099 in 1933 and Dr. \$1,364,379 in 1932) was a debit of \$6,406,333 as compared with a debit of \$2,582,371 for the six months of the previous year (1932).

The Canadian Pacific Railway showed better results for the six months' operation in 1933 than for the same period in 1932. The operating revenues were \$50,654,742 as compared with \$57,897,348 for the first six months of 1932; operating expenses were \$43,698,019 as compared with \$50,672,070; net operating revenue was \$6,956,723 as compared with \$7,225,277; and the net operating income, \$4,861,141, as compared with \$5,251,879 for the six months ended June, 1932.

Total loadings for the year 1933 of all railways amounted to 2,032,157 cars which was 140,930 cars, or 6.5 per cent. below the 1932 total and was the lowest recorded. At the end of the first six months, however, the total was 175,985 cars, or 16.3 per cent. below the 1932 loadings. Grain was lighter than in 1932 by 57,326 cars, merchandise by 66,755 cars and miscellaneous freight by 63,432 cars, but all other commodities were heavier than in the previous year.

The Canadian National Railways. Canada's publicly-owned railway had been the object of inquiry by the Select Standing Committee of the House of Commons both during the 1931 and 1932 Sessions of Parliament and was also the major reason for the appointment in 1931 of the Royal Commission by the Government of Canada to make a thorough investigation into railway affairs. The Parliamentary Committee's findings in 1932 included recommendations as to ways and means of effecting drastic economies, chief amongst which were reduction in salaries of officers and the curtailment in number of higher paid officers of the System. In particular the salary and emoluments received by Sir Henry Thornton, President and Chairman of the Board of Directors, had received a good deal of attention from the Committee. Subsequent to the unanimous adoption by the House of Commons of the Committee's Report (for further details see *The Canadian Annual Review*, 1932, pp. 74-6) and while the Royal Commission's investigation was still in progress, the Minister of Railways, Hon. R. J. Manion, announced (July 17, 1932) the resignation of Sir Henry Thornton.

Following the resignation of Sir Henry, whose sudden death occurred eight months later in New York, S. J. Hungerford, Vice-President of the System, was appointed Acting President and Member of the Board of Directors. Drastic economies in operating expenses were put into effect on Sept. 1, 1932, the Report of the Royal Commission having in the meantime been submitted to the Government and made public (see *The Canadian Annual Review*, 1932, pp. 535-39); these included the retirement and superannuation of 11 of the higher officers; the abolition of 14 of the more highly paid officers, a re-assignment of duties, and a consolidation of divisions in certain of the branches of the System. In all, 50 positions of the Railways were abolished. (*The Globe*, Sept. 8, 1932).

Speaking of these economies made in the operation management of the System, the Minister of Railways (Hon. R. J. Manion), in the course of an address before the Commercial Travellers' Association at Toronto, on Dec. 16, 1932, pointed out that they created "a splendid foundation for a structure which would place the C.N.R. within hailing distance of a chance of paying its interest requirements when times improved." In further discussion of the System and of the whole transportation problem, Dr. Manion declared that the false impression had gained wide acceptance that if there were proper re-arrangement of the C.N.R. financial structure, the System could operate profitably and re-employ the thousands of laid-off employees. He pointed out that the capital debt of the System was 2 billion, 600 million dollars, or more than the National Debt of the Dominion. Half of the C.N.R. debt was owing to the Canadian Government and the other half to companies and the investing public, mainly in the United States and Great Britain. The \$58,000,000 in annual interest on the Public Debt had to be paid if the Railway and the Dominion were not to repudiate their debts. He reminded his hearers that the System was not earning sufficient to be able to pay more than \$10,000,000 of this interest annually, the remainder was being paid by the Federal Government. (*The Mail and Empire*, Toronto, Dec. 17, 1932). Overbuilding of railroads in the early years of the century, motor competition, excessive capital expenditure, extravagant management and the general economic upheaval, were the reasons given by the Minister of Railways a month previously when discussing the condition of the National Railways during a speech before the Canadian Club of Toronto. Answering the suggestion sometimes offered in the plan of recapitalization of the C.N.R., that the Canadian Government wipe off entirely the \$1,300,000,000 owing to them by the railway, he said: "As none of either the capital or interest has ever been repaid, it would make no material difference to either the country or the railway if this were done. It would merely clear the railway picture."

The Annual Report of the Canadian National Railways for the calendar year 1932, tabled in the House of Commons on Mar. 24, 1933, by the Minister of Railways, presented an income statement covering the all-inclusive Canadian National System, instead of, as formerly, two separate statements for Eastern Lines and for the balance of the System. This was done to avoid possible confusion, and was in compliance with the request of members of the Select Standing Committee of the House of Commons on Railways and Shipping and also of the Royal Commission on Transportation. Operating revenues for 1932 were \$161,103,594, a decrease from the previous year of \$39,401,567, and operating expenses, \$155,208,161, a decrease of \$44,104,834 from 1931, leaving a net revenue for the year of \$5,895,433, as compared with a revenue of \$1,192,166 in 1931. The net income deficit (excluding interest on Government loans amounting to \$35,525,540 and including a deficit of \$6,479,159 applicable to Eastern Lines) was \$61,006,919, after paying interest on the Public Debt totalling \$56,965,279.

Despite the fact that revenues of the System, which had decreased 48 per cent. from the 1928 total of \$312,286,031, suffered a decline in 1932 alone of \$39,401,567, the total cash requirements for that year were kept within the budgeted estimate as presented to Parliament. This was effected through a rigid control of expenditures, mainly reflected in an extraordinary decrease in net capital expenditures from \$34,287,067 in 1931 to \$799,158 in 1932 (the

1929 total had been \$88,499,908), and in drastic reductions in services, salaries and staffs, which, however, did not militate against the operating efficiency of the System. Operating expenditures in 1932 were \$101,000,000 below those of 1928. Of the decrease of \$44,104,834 from 1931, \$27,257,959 was made in labour and \$16,846,875 in material and miscellaneous. The average number of employees in 1932 was 76,616, approximately 31 per cent. below the 1929 level. The total payroll of \$106,911,608 was 39 per cent. below the 1929 figure (only part of the total reduction in the payroll made in 1932, of more than \$10,000,000 yearly, was included in this estimate as the decreases in rates were not in effect for the entire year). Reductions made in passenger services since 1929 of 8,229,524 passenger train miles had wiped out practically one-third of the passenger train service operating at that time; the reduction in 1932 from the previous year was 4,726,882 miles.

Operating revenues for 1932 were derived from the following sources: freight revenues, \$120,715,008, a decrease of \$28,236,631 from 1931; passenger revenues, \$17,258,919, a decrease of \$5,940,817; express revenue, \$9,051,420, a decrease of \$1,975,827; and telegraph revenue, \$3,676,339, a decrease of \$1,022,427.

Hotel operations in 1932 showed a profit before taxes (\$129,874) of \$70,392, as compared with a loss of \$76,660 in 1931; payment of taxes left a net income deficit for 1932 of \$59,482. A total of 734 employees was retired in 1932 under the provision of the C.N.R. Pension Act (non-contributory), while those in receipt of pension who were deceased during the year numbered 226, leaving the total number receiving pension at the end of 1932 at 3,001. During 1932 a 10 per cent. deduction was in force on wages of running trades and railway telegraphers and (from May 1) of clerical, maintenance-of-way and other miscellaneous employees. A reduced salary scale, with the percentage reduction heavier in the higher-paid positions, was put into force in 1932, affecting official salaries (all of which had been reduced 10 per cent. in 1931) of more than \$2,700. The reduced salaries were further made subject to a 5 per cent. deduction.

The following table gives the Funded Debt, with yearly deficit and cumulative deficit of the Canadian National System¹ for the ten-year period, 1923-32:

Year	Interest on Funded Debt			Deficit ²		Cumulative Deficits	
	On Public Debt	On Dominion Government Loans	Total	Including Govt. Loan Interest	Excluding Govt. Loan Interest	Including Govt. Loan Interest	Excluding Govt. Loan Interest
	\$	\$	\$	\$	\$	\$	\$
1923	35,041,380	30,157,944	65,199,324	54,634,323	24,476,379	54,634,323	24,476,379
1924	38,361,704	31,271,043	69,632,747	54,474,547	23,203,504	109,108,870	47,679,883
1925	40,438,235	31,450,382	71,888,617	41,651,270	10,200,888	150,760,140	57,880,771
1926	39,197,233	32,090,454	71,287,687	23,199,441	Cr. 8,891,013	173,959,581	48,989,758
1927	40,526,097	32,505,234	73,031,331	37,526,900	5,021,667	211,486,481	54,011,425
1928	41,810,880	32,507,337	74,318,217	33,314,828	807,491	244,801,309	54,818,916
1929	45,503,980	32,690,545	78,194,525	46,610,317	13,919,772	291,411,626	68,738,688
1930	51,316,121	32,693,875	84,009,996	73,733,692	41,039,816	365,145,318	109,778,504
1931	55,587,145	32,643,624	88,230,769	99,275,680	66,632,056	464,420,998	176,410,560
1932	56,965,279	35,525,540	92,490,819	101,335,074	65,809,534	565,756,072	242,220,094

¹ Includes Central Vermont Railway from February 1, 1930.

² Interest at 4 per cent. on \$34,927,098 G.T.P. debenture stock reduced under agreement to 2 per cent.

³ The deficit shown is as per the accounts and includes Government interest accounting adjustments of \$11,505,416 and appropriation for insurance fund of \$9,388,962, the actual cash deficit for the period being \$221,325,716.

The Canadian Pacific Railway Company. Further economies were inaugurated by the management of Canada's great privately-owned railway during the year 1932 in order to offset decreasing earnings of the Company; these were effected without impairment to the usual high type of service tendered to the public. Savings were made in advertising and other traffic expenses; payroll reductions were put into force early in the year in the form of a ten per cent. cut, additional to the one in 1931, following nego-

tiations with the employees affected, and in October an additional ten per cent. reduction was effected in the salary of the President and fees of the Directors, and an additional ten per cent. reduction in salaries of officers and employees in supervisory positions. The application of the additional ten per cent. reduction was being planned for other classes of employees in 1933; these when effected, would represent, it was expected, on the basis of the payrolls of 1932, a saving of approximately \$7,500,000 *per annum*.

E. W. Beatty, K.C., LL.D., President of the Company, in his address to the Annual Meeting of Shareholders on May 3, 1933, reviewed some of the more significant features of the Company's operations during the year (1932). He pointed out that, although the decline in gross earnings had been substantially greater than the decline in the volume of traffic, the latter having occurred in the more remunerative classes, the operating ratio had been well maintained, working expenses, including taxes, amounting to 83.79 per cent. of gross earnings, as compared with 82.80 in 1931. In referring to the successful efforts toward the development of new business made by the institution of special excursions for passenger travel at very low rates, he affirmed that such a method under existing conditions had its limitations. Grave doubts were expressed by Mr. Beatty as to whether the legislation arising from the Report of the Royal Commission on Transportation would produce economies sufficiently extensive to remedy the railway situation. (Mr. Beatty's complete Annual Address with the Company's Annual Report, including steamship operations, for the year ended Dec. 31, 1932, is contained in the Supplement to this volume).

By a resolution passed at the Meeting, Directors of the Company were authorized to float a four per cent. issue of additional consolidated stock to allow the liquidation of short-term loans totalling \$30,000,000 and other maturing obligations, the amount to be left to the discretion of the Directors. Approval was also given by the Meeting to agreements with The Canadian Northern and Canadian National Railway Companies involving the joint use of portions of trackage in the Provinces of Alberta and Saskatchewan.

Gross earnings of the Canadian Pacific Railway Company in 1932 totalled \$123,936,714, as compared with \$147,846,119 in the previous year, and represented a decrease of \$118,041,748 from 1928; of the 1932 total, \$91,930,823 was derived from freight; \$16,717,304 from passengers; \$3,621,875 from mails; and \$11,666,712 from sleeping and dining cars, express and miscellaneous. Working expenses for the year were \$103,846,729, as compared with \$122,421,352 in 1931. As a result, net earnings were \$20,089,985, a decrease from the previous year of \$5,334,782. After adding special income of \$4,537,426 and deducting fixed charges of \$23,619,529, the surplus for the year amounted to \$1,007,881.

Total train mileage in 1932 was 36,972,491; passenger car mileage, 122,425,058; and freight car mileage, 624,351,933. Passengers carried in 1932 numbered 7,924,696, as against 8,534,784 the previous year; those carried one mile numbered 647,512,474 as against 712,981,525; and earnings per passenger per mile were 2.58 cents, as against 2.77 cents in 1931. With regard to freight traffic, the number of tons carried was 22,613,099, as compared with 26,269,478 in 1931; the number of tons carried one mile was 10,183,789,367, as compared with 10,775,837,079; while earnings per ton per mile were .90 cents, as compared with .96 cents. Grain carried in 1932 showed an increase from 204,844,333 in 1931 to 234,718,842 bushels, but all other freight (except firewood) recorded decreases: flour, from 8,986,890 to 7,893,420 barrels; live stock, from 1,726,870 to 1,645,439 head; lumber, from 1,657,470,800 to 1,202,501,725 feet; manufactured articles, from 7,658,486 to 6,082,367 tons; and all other articles, from 9,171,777 to 6,775,774 tons in 1932.

Among changes made in the personnel of the Company during the 12 months ended June, 1933, was the resignation, on account of ill-health, of J. J. Scully, General Manager of Eastern Lines, announced on May 10, 1933,

J. J. Humphrey, Assistant to the Vice-President in Montreal, was named as his successor.

A Peace River Railway. During the 1932-33 Session of Parliament, D. M. Kennedy (Prog., Peace River) introduced a Resolution in the House (Feb. 21) urging the construction of a line from the Peace River country direct to the Pacific coast, claiming that the district had fulfilled the obligation laid upon it as a necessary condition for the building of the road, namely, the production of a crop of 12,000,000 bushels of wheat, or its equivalent in railway tonnage, for three successive seasons; for some years, he stated this production had been maintained and even exceeded. The Resolution was defeated by a vote of 133 to 37. The Minister of Railways (Hon. R. J. Manion) was emphatic in his declaration that the building of the road could not be considered until economic conditions changed.

The Temiskaming and Northern Ontario Railway (see Section: Province of Ontario).

The Pacific Great Eastern Railway. A deficit in the operating account of the P.G.E. Railway for 1932 of \$68,068, or \$2,289 more than that of the previous year, was disclosed in a Report for that year. Gross revenue amounted to \$374,563, as against \$423,144 in 1931, a decrease of \$48,581. Expenditures totalled \$442,632, as against \$488,924 the previous year, a decrease of \$46,292. The deficit on the Squamish-Quesnel division was \$1,577 less than in 1931. Freight revenue during 1932 declined \$34,351 and passenger revenue, \$6,085. The volume of freight hauled during the year was 8,000 tons more than in 1931, the increase, however, being in lumber products, hauled for short distances and carrying low rates. Nominally operating deficits had been reduced from \$274,941 in 1926 to \$68,068 in 1932. Since 1929 these deficits had been held to an average of \$60,000.

The Board of Railway Commissioners

A total of 52 applications were heard at the 32 public sittings held by the Board of Railway Commissioners during the year ended Dec. 31, 1932, according to the 28th Report of the Board. Sittings were held in the various Provinces as follows: Ontario, 22; Quebec, 3; Manitoba, 1; Saskatchewan, 2; Alberta, 2; British Columbia, 1; and Prince Edward Island, 1.

The number of matters dealt with by the Board without hearings, as distinguished from matters heard at public sittings, constituted 98 per cent. of the total of 2,843 applications and complaints received and dealt with, of which only 52 were set down for formal hearing. Approximately 476,553 miles were travelled by the Board and its officers during the year, in connection with these applications and complaints, while the time taken up in formal hearings and the necessary travelling in connection therewith equalled 23.4 out of every hundred working days. There were 14 General Orders issued by the Board, and 3 General Circulars issued under the Board's direction to all railway companies subject to its jurisdiction. The total number of Orders issued for the year was 1,446.

Tariffs received and filed in the Traffic Department of the Board in 1932 totalled 42,132 (including supplements) of which 29,959 were freight; 7,833, passenger; 3,471, express; 795, telephone; 60, sleeping and parlour car; 5, telegraph; and 9, bridge tolls. This brought the grand total of tariffs filed since Feb. 1, 1904, to 1,692,996. The Engineering Department during the year made 290 inspections, covering all parts of the Dominion, of such matters as the opening of a railway for the carriage of traffic, of culverts, highway crossings, cattle guards, road crossings, bridges, and subways as well as various general inspections.

In 1932 accidents investigated by the Operating Department of the Board numbered 882, covering 165 persons killed and 1,022 persons injured, as compared with 1,057, covering 183 persons killed and 1,463 injured in 1931. The

various railway companies subject to the Board's jurisdiction reported accidents totalling 2,041 and involving 288 persons killed and 2,032 persons injured, as compared with 2,429 accidents, covering 317 persons killed and 2,680 injured in 1931. Of the total number of persons killed and injured there were 125 trespassers killed and 191 injured. There were 266 accidents at public highway crossings investigated, 45 of which occurred at crossings protected by gates, bell, watchman, and lightning flash signal, involving 33 persons killed and 36 injured. The remainder of 221 accidents took place at unprotected crossings, covering 63 persons killed and 257 injured. Out of the total of 266 highway crossing accidents investigated, automobiles were involved in 226, horse and rigs, 22, and pedestrians in 18. There were 3 automobile accidents at crossings protected by gates, 3 where watchmen were employed, 27 where bell protection was provided, 3 where there was a lightning flash signal, and 189 at unprotected crossings.

The number of railway-caused fires in 1932 was reported by the Operating Department to have been the lowest on record for the previous 21 years, with a corresponding favourable reduction in the total area burned and the damage done. A total of 267 fires reported to have originated on railway lines in districts classified as forested, burned 3,715 acres of young forest growth, 2,242 acres of merchantable timber, 1,231 acres of slashing or old burned lands not re-stocking, and 986 acres of non-forested lands. Under the Board's requirements, special patrols, by 1,057 employees, were maintained by the railways on 7,711 miles during the year, supplemented in emergencies, by other employees available. The railways also constructed or maintained in accordance with the Board's Fire Guard Requirements, 5,449 miles of fire guards in uncultivated lands in the Prairie Provinces.

An important decision of the Supreme Court of Canada, affecting a ruling of the Board in 1932 was in connection with a stated case respecting the Maritime Freight Rates Act, R.S.C., 1927, Chap. 79. Under the Act the Maritime Provinces were given a 20 per cent. reduction on freight to and from that area. The Maritime Provinces claimed that the Railways could be reimbursed by the Federal Government, for whatever deficit they incurred in the carrying of freight at the lower rate, in the event of their being obliged, through force of water competition, to make the reduction on a rate lower than that prevailing in 1927. In 1932, the Board, under the Chairmanship of Hon. Charles Fullerton, ruled that according to their interpretation of the legislation of 1927, the railways were not entitled to any reimbursement if they made a rate below that which would result if only the 20 per cent. reduction were applied. On June 8, 1933, the Supreme Court delivered judgment upholding the principle of the Act and as claimed by the Maritime Provinces; the 20 per cent. reduction was to apply to the prevailing rate; the Act did not intend to fix permanently the rates to be considered as normal at the 1927 level; that rates must vary from time to time to meet changed conditions. At the Supreme Court hearing on Feb. 13 Mr. Justice Duff presided. The Board was represented by A. G. Blair, k.c.; the Canadian Pacific and Dominion Atlantic Railways by W. N. Tilley, k.c., and E. P. Flintoft, k.c., General Solicitor, C.P.R.; the Sydney and Louisburg Railway and Associated Boards of Trade of Cape Breton by H. P. Duchemin, k.c.; the three Maritime Provinces' Governments by C. P. Smith, k.c., Halifax; and the Nova Scotia Shippers' Association by J. L. Hsley, m.p.

Postal Affairs; Express Companies; and Other Traffic

The main features of the Canadian postal service during the fiscal year ended Mar. 31, 1932, as recorded in the Annual Report for that year of the Postmaster-General (Hon. Arthur Sauvé), included increases in letter rates of postage, the constriction of railway mail service, the substitution of baggage car for postal car services and a general curtailment of air mail services. The total number of post offices in operation in the Dominion on Mar. 31, 1932, was 12,133, a

decrease of 209 from the previous year. There were 102 offices established during the year and 311 closed. The net revenue of the Department for the fiscal year amounted to \$32,476,604, an increase of \$2,060,497 over 1930-31, and the expenditure totalled \$34,448,986, a decrease of \$1,843,617. This left a deficit for the year of \$1,972,382, which, it was stated, would have been reduced by approximately \$750,000, had the Department been indemnified for the expenses imposed on it by the franking privilege enjoyed by the various Departments of the Government. The deficit for 1930-31 had been \$5,876,497. Of the total revenue received in 1931-32, \$27,242,715 was from the sale of postage stamps, postcards, etc.; \$3,743,729 from postage paid in cash on parcels; \$2,763,223 from that paid on metered mail matter; \$1,649,277 from that paid on newspapers; and \$1,233,788 from commission received on money orders. Mail service accounted for \$15,081,605 of the total expenditure; salaries for \$17,995,076, and miscellaneous for \$1,233,566.

The total number of money orders issued in 1931-32 was 14,324,715, with a value of \$132,625,260, as compared with 16,313,134, with a value of \$167,749,651, issued in the previous year. Orders valued at \$121,391,212 were payable in Canada, and the remainder, valued at \$11,234,048, in other countries. Orders issued in other countries, payable in Canada, amounted to \$9,097,086. The postage stamp issue during the year under review was \$28,595,204, an increase over 1930-31 of \$2,589,846. The air mail service reported 443,501 pounds of mail carried and 1,229,021 miles flown, as compared with 506,503 pounds carried and 1,747,950 miles flown in the previous year.

Effective May 1, 1933, legislation was passed at the 1932-33 Session of Parliament enlarging the scope of the 3-cent tax imposed in May, 1932, on money orders over \$5, to include those of \$5 and under. An Amendment to the Post Office Act, also passed at the 1932-33 Session, provided that the advertising portion of newspapers and periodicals (with certain exceptions), when exceeding 50 per cent. of the total space, should be subject to a postage rate of 4 cents a pound. This measure was to go into effect Sept. 1, 1933.

Express Companies. There were four organizations carrying on express business in Canada during 1932: (1) the Canadian Pacific Express Company, a subsidiary of the Canadian Pacific Railway Company, which handled the express business of the parent company; (2) the Express Department of the Canadian National Railways; (3) the Express Department of the Northern Alberta Railways; and (4) the Railway Express Agency, operating mainly over the Canadian sections of the United States railways.

The combined systems operated over 42,658.49 miles of steam railways, 313.59 miles of electric railways, 5,676.32 miles of steam boat lines, 152.50 miles of stage lines, and 18.00 miles of miscellaneous lines, making a total of 48,818.90 miles. In addition the Canadian Pacific Express Company operated over 14,227.00 miles of ocean. Full-time employees numbered 4,245, who received \$6,399,435 in salaries and wages; the amount of salaries and wages paid to part-time employees was \$550,623. Gross revenues for the four systems decreased from \$20,115,285 in 1931 to \$16,870,806 in 1932; operating expenses were reduced from \$11,292,957 to \$9,479,802; express privileges, the amount payable to railways for carriage of express matter, declined from \$10,909,184 to \$7,307,980, leaving a net operating revenue of \$83,023 in 1932 as compared with a net operating deficit of \$2,086,856 in the preceding year. The value of money orders and other financial paper issued amounted to \$45,511,024, as compared with \$55,636,622 in 1931. The reductions as in 1931 were due to the decreased industrial activity, to diversion of business to motor trucks and to reduced express rates made in an attempt to combat this motor truck competition.

The Canadian National Railways' Express Department, operating over 24,319.72 miles of lines, employed 2,382 full-time employees who received \$3,491,324 in salaries and wages. Gross receipts from operation amounted to

\$8,850,234; express privileges to \$3,965,679; operating expenses to \$4,927,280; net operating deficit to \$42,725; and net corporate deficit to \$96,876.

The Canadian Pacific Express Company, operating over 32,896.88 miles of rail and ocean lines, had 1,782 full-time employees, who were paid \$2,778,505. \$547,330 was also paid to part-time employees. Gross receipts from operation were shown as \$7,355,144; express privileges, \$2,980,424; operating expenses, \$4,271,249; net operating revenue \$103,470; and net corporate income, \$155,948. In 1931 there had been a net operating deficit of \$2,208,084. The apparent improvement in the operation was due to a revision of the contract with the Canadian Pacific Railway Company, effective Jan. 1, 1932, whereby the Express Company was to pay the Canadian Pacific Railway for itself and subsidiaries, the revenue derived from the express business after deducting proportions due other carriers, reasonable depreciation, etc.

In conjunction with the Railway Express Agency, acting under authorization of the Interstate Commerce Commission of the United States, the Canadian express companies on May 31, 1933, announced the reduction of rates on fresh cooked lobster meat in unsealed cans shipped from the Maritime Provinces to points in the United States.

Miscellaneous Traffic Reports. The traffic between Canada and the United States on international bridges, ferries and tunnels in 1932 was 30 per cent. less than in 1931, according to the Report of International Bridge, Ferry and Tunnel Companies, issued by the Dominion Bureau of Statistics in May, 1933. The total number of persons crossing in both directions during the year was 23,165,782, as compared with 33,726,740 in 1931. The number of motor vehicles declined 17 per cent. to 6,278,062; horse-drawn vehicles practically disappeared, only 64 being reported. Of all Companies, capital stock was \$52,949,777 in 1932 as compared with \$53,233,456 in 1931; revenues, \$3,282,948 as against \$4,537,409; expenses, \$2,710,257, a decline from \$3,359,837; gross income, \$686,566 as compared with \$1,301,388, and net income, (deficit) \$2,374,145 as against (deficit) \$1,229,686. After deducting increased taxes and interest charges and other small items, the deficit was shown to have risen from \$1,568,078 in 1931 to \$2,472,847 in 1932. The number of persons employed totalled 616 in 1932 as compared with 723 in the previous year. Salaries and wages declined from \$1,191,023 in 1931 to \$852,279 in 1932.

At the Annual General Meeting of the Canadian Industrial Traffic League held in Toronto, on Jan. 26, 1933, reports by the various Standing and Special Committees, the medium through which the League functioned, were presented and dealt with. Resolutions adopted which embraced the more important matters of the Reports advocated such a combination of the existing railway systems as would include, at least, joint terminals and facilities, wherever possible; joint express service; joint telegraph service; the abolition of all ticket offices except at stations; elimination of duplicate services, facilities and trackage wherever possible; reciprocal interchange of running rights; joint publication of tariffs; pooling of passenger transportation; opposed the appointment of an arbitral Board, but favoured the granting of authority to the Board of Railway Commissioners for Canada to control the situation. Other resolutions (1) recommended that the express services of the two main systems should be consolidated into one enterprise with proper working arrangements with the parent companies, in co-operation with whom they should endeavour to co-ordinate their services with those operated or to be operated upon the highways, and that they (the express services) should give early consideration to a general readjustment of their rates in line with the relationship of their services to the existing freight and highway services; and (2) heartily approved of the suggestions regarding highway transportation contained in the Report of the Royal Commission on Railways and Transportation in Canada (Duff Report); and at the same time, urged the Provincial Governments to determine the actual cost of the construction and maintenance of the highways, and through some competent

authority, the proportion of this cost "which is properly chargeable to the motor truck." The Officers for the ensuing year were elected as follows: President, J. K. Smith; Manager, Transportation Bureau, Montreal Board of Trade; Vice-President, B. J. Murphy, Link-Belt Ltd., Toronto; Treasurer, H. W. Blahout, Dunlop Tire & Rubber Goods Company Ltd., Toronto; and General Secretary, A. R. Treloar, Toronto.

Electric Railways in 1932

The traffic of electric railways in Canada during 1932 continued to decline, and five systems, including two interurban lines, ceased operation, according to the Final Report issued by the Dominion Bureau of Statistics in January, 1934. One of these, the Brantford Municipal Railway, substituted a bus service for three months but resumed operation again early in 1933. The other systems which ceased operation were: Brandon, Moose Jaw, Niagara Falls Park and River Division of the International Railways and the Windsor, Essex and Lake Shore Rapid. The Quebec County railway, a subsidiary of the Quebec Railway, Light and Power Company, was included for the first time in the Report. During the year 642,831,002 fare passengers were carried, a decrease from the 1931 traffic of 77,637,359 passengers.

Revenues on all electric railways amounted to \$43,339,381, which was \$5,748,929 less than 1931 revenues. Operating expenses were reduced from \$35,367,068 in 1931 to \$31,516,943 in 1932 and net operating revenues decreased from \$13,721,242 to \$11,822,438. The number of employees were reduced from 17,135 to 15,961 and the salaries and wages from \$24,647,391 to \$21,534,419. Of the forty-five railways reporting, fourteen showed a loss from operation and, after paying taxes, interest and other income charges, twenty-four railways showed deficits. Only four railways paid dividends: the British Columbia Electric; the Cornwall Street Railway, Light and Power; the Nova Scotia Light and Power and the Montreal Tramways.

Other particulars contained in the Report were: total single track miles operated, 2,148.28; total passenger cars, 3,901 (including 1,260 one-man cars in operation, and 1,893 two-men cars); buses, 521; electric locomotives, 47; tons of freight carried, 1,509,561; total passenger car miles, 123,672,220; passenger earnings, \$40,875,692; freight earnings, \$1,169,037; mail and express earnings, \$86,723; total capitalization, \$203,312,554. During 1932 there were 79 persons killed and 3,542 persons injured; this was the smallest number of persons injured by electric railways in the previous ten years.

The Montreal Tramways Company, operating under the supervision of the Montreal Tramways Commission, supplied the City of Montreal with its transportation services. During 1932 the number of revenue passengers carried on tramways was 189,364,556, a decrease of 22,093,967 from 1931; and the number of revenue passengers carried on autobuses was 21,442,573, an increase of 759,993 from the previous year. Gross revenue during the year 1932 amounted to \$13,987,119; operation expenses, to \$10,018,737, leaving net earnings of \$3,968,382. The sum of \$682,500 was paid in dividends during the year, and a surplus of \$3,544 was added to the total surplus of the Company. While general construction during 1932 was strictly limited to essential requirements, a number of important projects were undertaken, principally in conjunction with work performed by municipal authorities. As a result, 5 miles of single track were added to the System and 4.40 miles were reconstructed, making the total miles of single track operated of 318.7. No new autobus equipment was purchased during the year, but the Company brought about improvements in operation and maintenance. Julian C. Smith was President of the Company; J. E. Hutcheson, Vice-President and Managing Director; Kenneth B. Thornton, General Manager; and Patrick Dubee, Secretary-Treasurer. The Montreal Tramways Commission was composed of: J. F. Saint-Cyr, Chairman; John S. Archibald, Vice-Chairman, and Paul A. Béique, Commissioner.

Street railway, Island ferry and bus services in Toronto were supplied by the Toronto Transportation Commission, acting for the owners, the City of Toronto. Revenue passengers carried during 1932 totalled 161,623,302 as compared with 182,923,203 in 1931, according to the 11th Annual Report of the Commission. Gross income revenue was \$11,243,785 as against \$12,800,639 in the previous year, the lowest annual revenue on record; expenditures for operation and maintenance dropped to \$6,987,428, from \$8,026,809, leaving a net income available for fixed charges of \$4,256,357 as compared with \$4,773,829. After deducting total fixed charges and reserves which actually amounted to \$4,253,381, a net income, carried to surplus, of \$2,976 was shown, as compared with \$13,606 in 1931. This amount, however, was not quite sufficient to provide the usual annual appropriations for depreciation, therefore, the Commission transferred from accumulated surplus the sum of \$165,894 and from the reserve for stabilization of fares the sum of \$100,000 to the replacement reserve. At Dec. 31, 1932, the Commission owned 987 passenger street cars, 95 electric service cars, 214 motor buses and coaches, 37 motor trucks and 10 motor snow plows and sanders. Two new English buses were purchased, the first in operation on the continent equipped with fluid flywheel transmission, to take the place of two necessarily disposed of. The Gray Coach Lines, Limited, which operated all of the motor coach transportation services of the Commission separate from the City street railway and feeder bus services, reported a gross revenue of \$923,012 as compared with \$1,114,437 in 1931; expenditures for operation and maintenance of \$718,331; and an income available for reserves and dividends of \$204,681. After these deductions, \$2,951 was carried to surplus account, as compared with \$5,067 in the previous year. S. J. McMaster was Chairman of the Commission; F. L. Hubbard, Vice-Chairman; and W. C. McBrien, Commissioner. D. W. Harvey was General Manager.

The Winnipeg Electric Company, operating the railway utility in that City, attributed their reduced earnings mainly to the existing unemployment and cheap taxicab competition. Owing to the increase in fares, however, gross revenues for 1932 were only 19.5 per cent. under 1929. Economies reduced operating expenses sufficiently to offset 95 per cent. of the loss in gross earnings for the year, but despite these economies the showing of this utility was far from satisfactory, and fell far short of meeting the charges necessary to maintain efficient service and keep the system in a satisfactory financial condition. (See page 285-6 for further details of this Company).

Decreased earnings in 1932 were reported by all other railway systems. The British Columbia Electric Railway Company, Limited, supplying the Cities of Vancouver, Victoria and New Westminster and adjoining municipalities with street railway services, showed a further considerable decrease in the number of passengers carried for the year ended June 30, 1932 to 69,862,419, and of freight tonnage to 249,285. The Nova Scotia Light and Power Company, Limited, supplying the City of Halifax with its tramway service, reported its most severe decline in earnings in this Department in 1932; these had decreased by \$46,000 to \$1,850,000. The 10,167,995 total of revenue passengers, was a decrease from 1931 of 10.6 per cent. The average fare was 5.85 cents, the lowest of any year since the 5-cent fare was abandoned in 1920. The Ottawa Electric Railway Company, in its Report for the year 1932, showed that gross receipts had fallen off by \$178,274 to \$1,466,662 in 1932 and fare passengers carried dropped to 23,472,347, or 3,057,405 less than 1931. A surplus for the year 1932 of \$31,831 was added to Surplus Account. The Railway Company, the Report stated, filed a tariff for increased fares with the Board of Railway Commissioners in August, 1932, owing to the refusal of the City of Ottawa to accept suggested adjustments which might have made the increased fares unnecessary. The Board reserved judgment until the beginning of 1933.

The Street Railway Division of the Quebec Power Company reported a decrease of approximately 10 per cent. in the number of passengers carried in 1932 as compared with the previous year. The Division was unable to

set up a proper depreciation or to pay interest on its bonded indebtedness. Arrangements were made with the Company for the waiver of the interest on the bonds and temporary deferment of payment. The number of passengers carried by the Regina Municipal Railway during 1932 totalled 4,114,293; the total revenue derived was \$302,900 and expenditures amounted to \$368,316. In 1932 the Calgary Street Railway, municipally owned and operated, had a total revenue of \$702,657; and expenditures of \$731,413, leaving a net deficit of \$28,756, of which \$5,000 was in respect of a payment made for new buses. A contribution of \$55,100 was received from the Electric Light Department. The Street Railway Department of the City of Edmonton in 1932 showed gross earnings of \$729,737 and expenditures of \$728,694, leaving a net surplus of \$1,043, as compared with a net deficit in 1931 of \$31,232.

The 29th Annual Meeting of the Canadian Transit Association was held at Hamilton, Ont., June 8-9, 1933. The President J. B. Hayes, B.Sc., C.E., estimating in his address the extent of the Association, stated that the transit industry which it represented had an investment of \$217,000,000, and carried 640,000,000 revenue passengers in 1932. The trend of business, he declared, was "still discouragingly downward." Although other types of vehicles had been adopted when it seemed advantageous, the supremacy of the tram car for carrying large numbers of people at low cost had not yet been threatened. The Companies of the Association had, in many cases, been relieved of unfair franchise obligations and were giving, he claimed, a greater measure of service in comparison with the volume of riders than before the decline in passengers began. The industry was suffering severely from the "tremendous and growing burden of taxation" in the country; and from additional obligations such as snow removal and paving charges, which constituted indirect additional taxation. It was urged that the necessity of reducing the corporate taxes should be impressed upon the elected representatives of the country. The danger of capitalism, the President added, lay not so much in those who attacked its institutions, but rather in "ourselves, because we have, in part at least, failed to recognize the full opportunity and responsibility that devolves on us as leaders of a great industry." However, the Companies of the Association had succeeded in adding little to the prevailing unemployment, and, as employers, should demonstrate their fairness and responsibility, qualities already shown by Companies who had introduced pension plans and similar measures. Of interest in the Secretary's Report was the statement that there was internal evidence that in the Report of the Royal Commission on Railways and Transportation (issued Nov., 1932), the Commission had given serious consideration to the brief presented to it by the Association in the previous February. He observed that nearly all the railways in the West (with two exceptions) were 100 per cent. one-man car operation; and the number of such cars had steadily increased in the previous year. Among the officers for 1932-33 were: Honorary President, W. C. McBrien, Toronto; Hon. Vice-President, Acton Burrows, Toronto; President, J. B. Hayes, B.Sc., C.E., Manager, Nova Scotia Light and Power Co. Ltd.; and Secretary, Eustace Smith, Jr., Toronto.

Motor Transportation and Highways in 1932

Canada, with one motor vehicle to every 9.4 persons, in 1932 ranked fourth in density among other countries of the world, with the United States first with a density of one vehicle to every 5.1 persons, and Hawaii and New Zealand, second and third, according to the final Report for 1932 on the Highway and the Motor Vehicle in Canada (issued by the Dominion Bureau of Statistics). Motor vehicle registrations in

Canada for 1932 amounted to 1,114,503, including 945,564 passenger automobiles, 1,530 motor buses, 157,990 trucks and other commercial vehicles and 9,419 motor cycles. This was a decrease of 7.2 per cent. from the 1931 total registration of 86,404. Of the 1932 total, Ontario had 531,597 vehicles, or one for every 6.5 persons showing the greatest density of the Provinces; Quebec, 165,730, with an average of 17.5, showing the lowest density; Manitoba, 71,570

(9.9); Saskatchewan, 91,275 (10.6); Alberta, 86,878 (8.5); British Columbia, 91,042 (7.7); New Brunswick, 28,044 (14.6); Nova Scotia, 41,153 (12.5); Prince Edward Island, 6,982 (12.6); and Yukon Territory, 232 (17.2).

The revenues collected by the Provinces from registrations of motor vehicles, operators, etc., for 1932 amounted to \$21,126,271, or an increase of \$1,441,363 over the previous year, obtained as a result of the increased rates in effect in Ontario and Alberta. Increases made in the gasoline tax by all the Provinces except Alberta more than offset reduced consumption and raised the gasoline tax revenue from \$22,546,119 in 1931 to \$27,083,316 in 1932. In New Brunswick, Manitoba and British Columbia the tax in 1932 was 7 cents and in the other Provinces, 6 cents. Dominion revenues from import duties and excise tax on motor vehicles amounted to \$4,508,471 for the year, or a decrease of 41 per cent. from the 1931 revenues.

Total gasoline sales for 1932 amounted to 503,781,207 gallons, a decrease of 9.4 per cent. from 1931 sales, which were 555,996,486 gallons.

Deaths resulting from motor vehicle accidents numbered 1,116, as compared with 1,316 in 1931. Quebec had the worst record with 18.77 deaths per 10,000 registered vehicles, New Brunswick was second with an average of 17.47 and Nova Scotia third with 12.15. Prince Edward Island had the best record with an average of 1.43 deaths and Saskatchewan was next with 3.73. Cities reporting the largest number of deaths were Montreal, 121; Toronto, 88; Vancouver, 41; and Ottawa, 25.

The surfaced highway mileage in Canada at the end of 1932 amounted to 91,312 miles and unsurfaced roads to 307,008 miles, making a total of 398,320 miles. Gravel roads increased from 75,081 miles for 1931 to 80,184 miles in 1932. By Provinces the mileage open for traffic in 1932 was as follows: Prince Edward Island, 3,650; Nova Scotia, 14,735; New Brunswick, 11,825; Quebec, 35,059; Southern Ontario, 52,280; Northern Ontario, 14,943; Manitoba, 28,410; Saskatchewan, 155,572; Alberta, 62,426; and British Columbia, 19,420. Classified by road and mileage was: unimproved earth, 131,327; improved earth and sand clay, 175,682; gravel-crushed stone, 80,184; oil-treated gravel, 1,049; waterbound macadam, 4,913; bituminous macadam, 2,145; bituminous concrete, 884; cement concrete, 2,017; and other surfaces, 119. Capital expenditure for 1932 was \$50,031,509, of which \$45,867,491 was for construction of roads (including Dominion subsidy) and \$4,164,018 for construction of bridges and ferries. The 1931 capital expenditure was \$66,250,229. Maintenance expenditures totalled \$21,461,337 in 1932, as compared with \$22,287,153 in 1931. Roads accounted for \$19,954,776 of the 1932 total and bridges and ferries for \$1,506,561.

With a view to the further encouragement and improvement of methods of highway construction and maintenance, the Canadian Good Roads Association again assembled in Annual Convention at Digby, N.S., on Sept. 24, 1932. Matters referred to in the Report of the Executive Committee included the desirability of the early completion of the Trans-Canada Highway and the need for co-operation between Governments and industrial, agricultural and other transportation interests in the solution of Canadian highway problems. Resolutions were passed urging: uniformity in the matter of traffic signs, signals and regulations; continuation of, and when possible, an increase in the Federal appropriation for the Grade Crossing Fund; continuation of the various programmes of road construction and maintenance undertaken by the Governments and municipalities; and that in such work preference should be given to machinery and materials produced in Canada or other parts of the Empire. Hon. Leopold Macaulay, Minister of Highways, Ontario, was elected President for 1932-33, succeeding Hon. A. C. Stewart, Minister of Highways, Saskatchewan; Hon. R. W. Bruhn, Minister of Public Works, British Columbia; Col. J. L. Boulanger, Deputy Minister of Roads and Mines, Quebec; and Hon. J. D. Stewart, Prime Minister, Prince Edward Island, became 1st, 2nd and 3rd Vice-Presidents, respectively. George A. McNamee, Montreal, was again made Secretary-Treasurer.

Canadian Harbour Affairs in 1932-33

The resumption of grain exports on a scale measurably greater than in any year since 1928, and the establishment of a new high figure for all time in import tonnage for the Harbour of Montreal, were the encouraging features of the year 1932 noted in the Annual Report of the Commissioners covering that period. The number of passenger liners arriving at the Port in 1932 decreased to 123, as compared with 134 liners in 1931. Trans-Atlantic vessel arrivals, however, were considerably greater than in any of the previous three years, *viz.* 963 ships, an increase of 152 over 1931. Coasting vessels numbered 311, which was 28 less, and inland vessels numbered 4,094, as compared with 4,000 in the previous year. The net registered tonnage of ocean-going vessels (trans-Atlantic and coasting combined) in 1932 totalled 4,250,426 tons as against 4,069,421 tons in 1931. For the fifth successive year, import tonnage set a new high record of 4,036,045 tons. Export tonnage increased by 889,480 tons to 3,926,315 tons. Tonnage of local traffic was somewhat disappointing, having been less than for the previous five years, decreasing by 526,019 tons from 1931 to 2,782,978 tons in 1932. The total tonnage of merchandise handled in the Port during the year, amounted to 10,745,338 tons as compared with 9,914,374 tons in 1931. The important part played by bulk cargo receipts of coal and oil in the Port's import business was demonstrated very clearly in 1932, more than 4,000,000 tons of these commodities being brought over the wharves of Montreal Harbour. Imports of British coal reached a total never before approached in the Port's history. Classifications of coal and coke receipts by water were as follows: Canadian bituminous, 1,176,148 tons; British anthracite, 1,118,287 (an increase of 38 per cent. over 1931); British bituminous, 215,804 (as compared with 36,668 tons in 1931); German anthracite, 52,190; United States bituminous, 34,105; British coke, 21,849; and United States anthracite, 2,321 tons. Imports of oil and gasoline of 1,571,869 tons in 1932 were approximately as large as the record figure established in 1931. Deliveries of grain from the Harbour Commissioners' grain elevator system totalled 112,893,600 bushels, an increase of more than 23,000,000 bushels over 1931, and greater than any year since 1928. In marked contrast to the substantial increase in grain exports from this Port was the fact that shipments of grain from United States Atlantic and Gulf coast ports in 1932 were, in almost every instance, at the lowest scale for many years.

The railway department of the Port was the most seriously affected, the total number of cars received and forwarded for the year amounted to 164,060, a decrease of 21,095 cars from the previous year, the lowest since 1914. Import and export rail traffic, however, did not show any appreciable decrease, the shrinkage in volume having been due to the decline in local traffic, particularly from industrial plants and in interchange traffic. Increases were shown in the movement of rail-borne grain, foreign coal and bananas. The export cattle traffic declined from 972 cars in 1931 to 635 cars in 1932.

Expenditure on capital account in 1932 for new works was the smallest for many years, and consisted almost entirely of a group of small industrial wharves for the use of oil importing companies. Income on revenue account in 1932 amounted to \$4,407,497, a decrease of \$92,960 from the previous year. Expenditure on revenue account amounted to \$5,456,589, made up of operation and maintenance, \$2,414,752, a decrease of \$16,325; interest on Government debentures, \$2,466,108, an increase of \$65,350; sinking fund reserve for Government debentures, \$568,560; and reserve for bad debts, \$7,200. Expenditure on capital account in 1932 amounted to \$610,447. The personnel of the Commission underwent a change in 1932: John C. Newman, Commissioner, was appointed President to succeed J. H. Rainville, who had been elevated to the Senate on Oct. 6; Alphonse Raymond was made a Commissioner to fill the vacancy, the other Commissioner being H. J. Trihey.

The affairs of the Port of Vancouver, were administered during 1932 by a Commission composed of: President, S. McClay; Commissioners: J. B. Thomson and R. D. Williams. The Annual Report for the calendar year

1932 showed that a total of 15,981 vessels of all classes had entered the Port, with a net tonnage of 11,082,902 tons. In the deep sea class 1,123 vessels of 4,501,754 net tonnage were entered, as against 1,036 for 1931, with a net tonnage of 4,031,192. The tonnage of coastwise vessels showed a decrease largely due to the discontinuance of the Canadian National Steamships from the Vancouver-Victoria-Seattle triangle service. An increase in the export tonnage was reported, the figures for 1932 being 4,363,090 tons, as against 3,717,091 tons in the previous year. Exports to the United Kingdom, Holland and Belgium all showed increases. The total imports for the year amounted to 2,862,765 tons as compared with 3,575,614 tons in 1931. Exports of Canadian-grown grain increased from 70,841,445 bushels in 1931 to 105,006,925 bushels in 1932, the largest total for any year in the history of the Port. During the year the storage facilities of the Port were increased by additions to three of the grain elevators; additional trackage of .55 miles was provided for the Terminal Railway to accommodate 105 cars and further work was in process to give additional storage for 240 railway cars; and the construction of the 300-foot extension to the Lapointe Pier was begun in December, 1932, the fill having been completed in the Spring of that year.

The Halifax Harbour Commissioners during 1932, were as follows: E. C. Phinney, President; J. L. Hetherington and F. P. Merchant, Commissioners. In their Annual Report for 1932 the Commissioners expressed their views that widespread and cumulative benefits to the Port would result from the Imperial Economic Conference of 1932. The number of vessels entered and departed for the whole Port (including Commissioners' Piers and Privately-owned Piers) totalled 5,839 as compared with 6,138 in 1931. Cargo tonnage of all Piers amounted to 1,458,083 tons during the year 1932 against 1,591,066 tons in the previous year. It was interesting to note, by way of comparison, that while traffic passing over the Commissioners' piers in 1932 was nearly equal to that of the preceding year, the traffic passing over other piers was considerably less. In the former case, vessels entered and departed numbered 2,612, an increase of 228 and the cargo tonnage totalled 678,827, a decrease of 23,171 tons. Cargo tonnage over the private piers, on the other hand, dropped from 889,068 to 779,256, a decrease of 109,812 tons. No legislation was passed during the year to enable the Commissioners to borrow additional sums of money for capital expenditure and no works of major importance were begun.

The Harbour Commissioners of Saint John (President, H. C. Schofield; Frank T. Lewis and Thomas Nagle, Commissioners) reported that shipping through the Port of Saint John had continued to decrease during 1932. The facilities, West Saint John, reconstructed after the fire in June, 1931, were in full operation from the first of the year and on account of the superiority of the transit sheds and grain conveying equipment to the previous structures, the peak of the traffic during the Winter months was handled without undue delay, although only about 65 per cent. of the original accommodation was reconstructed. The number of incoming vessels arriving at the Port in 1931-32 was 2,197 with a registered tonnage of 2,060,774 tons, as compared with 2,359 with a tonnage of 1,998,416 in 1930-31. Outgoing vessels numbered 2,206 with a registered tonnage of 2,084,065 in 1931-32 as against 2,356 vessels with a tonnage of 1,984,967. Import tonnage amounted to 554,859 tons in 1932, less than 10 per cent. below 1931; exports totalled 546,842 tons, a decrease of 20 per cent. from the previous year, largely due to the reduced amount of grain exported—from 301,344 tons in 1931 to 179,402 in 1932. On Nov. 17, 1932, an amount of \$156,940 was authorized to increase the grain loading facilities at Berths 5, 6, 7 and 16, West Saint John; in the same month, the pier and quay wall, which had been under construction since 1928, was completed.

The personnel of the Quebec Harbour Board during 1932, was: Chairman, J. S. O'Meara; and Commissioners: Pierre Bertrand and J. LeBlond, M.P., D.P.H. The Annual Report for the year ended Dec. 31, 1932, stated that the Port of Quebec had been very severely affected by the continued decline in trade as had all the commercial and industrial corporations of the country.

The movement of vessels at the Port numbered 800, an increase of 5 over 1931. The total gross tonnage in 1932 was 5,193,655 as compared with 5,002,892 in the previous year. The cars handled by the Railway Traffic Department during the year numbered 14,170, a decrease of 2,451 from 1931. Imports decreased from 708,424 tons in 1931 to 596,668 tons in 1932; and exports fell from 225,749 tons to 196,577 tons. There was a decrease of over 1,000,000 bushels of grain received at the grain elevator in 1932 and of over 500,000 bushels delivered, chiefly due to the low price of Canadian wheat, the non-operation of a large number of Lake grain barges owing to the low rates for transportation, and the competition of other Ports above Quebec, particularly the privately-owned grain elevator at Sorel, which, it was stated, was not subject to the enforcing of all the tariff charges levied at Government-owned elevators.

The Toronto Harbour Commissioners (J. E. Ganong, Chairman; George W. Porter, P. J. Mulqueen, B. J. Miller and Thomas Rennie) in their Annual Report for the year 1932 noted the completion in August of the rehabilitation of the old Sea Wall, approximately 3,000 feet in length, situated in front of the Canadian National Exhibition Grounds, together with an 800-foot shore protection to the westerly end of the wall; and the provisions of closures in the gaps of the Government breakwater opposite the sea wall. Vessels entering the Harbour in 1932 numbered 2,310 with a net tonnage of 2,678,131 tons, compared with 2,507 vessels in 1931 with a net tonnage of 2,553,549 tons. This increase in net tonnage was the direct effect of the new Welland Ship Canal. The cargo tonnage for the year totalled 2,270,445 tons, an increase over the previous year of 148,379 tons. Waterborne shipments of coal in 1932 totalled 1,062,994 tons, an increase of 502,647 tons over 1931; there was a substantial increase in Welsh anthracite, while Nova Scotia coal, Canadian coke and Scotch anthracite appeared for the first time in large quantities on the Harbour Commissioners' Manifests. Coal deliveries in the month of November alone approximated 201,000 tons, nearly 10,000 tons more than the total coal tonnage of the year 1929 which, up to that time, had been the largest coal tonnage on record. The benefit of the new Welland Ship Canal was demonstrated by the fact that several large Upper Lake vessels were thereby enabled to take advantage of the facilities of the Toronto Harbour improvements; of the 140 trips made, their combined cargoes represented approximately one-third of the total cargo tonnage for the season. Brig.-Gen. J. G. Langton was General Manager and Secretary of the Commission.

The 1932 season of navigation witnessed the further development of traffic, principally grain, through the Port of Churchill, in the Hudson Bay. Ten transient vessels loaded full cargoes of export grain at the new Government elevator, the total export of wheat amounting to 2,736,030 bushels for the season. To encourage the movement of cargo through this northerly port, the Dominion Government made no charge during the 1932 season for the use of the harbour facilities. A regrettable incident in the season's operations was the loss of the steamer "Bright Fan" outward bound, which struck an iceberg in the Hudson Strait on Oct. 1st and became a total loss. Hon. Humphrey Mellish, Justice of the Supreme Court of Nova Scotia, who was appointed a special Commissioner to conduct the Inquiry into the disaster, handed down a judgment on Oct. 25, to the effect that the Master and the Chief Officer of the vessel were in default; that they had contributed to the loss of their vessel in that a proper lookout had not been provided. No disciplinary action was taken by the Court.

Canada's trade *via* the United States continued to show a steady decrease according to the condensed preliminary Report on the Trade of Canada during the fiscal year ended Mar. 31, 1933. This was mainly a result of (1) general propaganda to utilize Canadian sea and river ports; (2) additional concessions to goods imported under the British Preferential tariff, if imported direct; and (3) provision in trade treaties and agreements negotiated with foreign countries that goods must be imported direct in order to obtain the full benefits of special rates of duty. Total exports *via* the United States in

1932-33 were valued at \$47,088,110, or 14.18 per cent. of total exports to overseas countries, as compared with 18.72 per cent. the previous year and 36.71 in 1928-29. Exports to the United Kingdom through United States ports had a value of \$29,611,608, or 15.99 per cent., as compared with 25.53 per cent. in 1931-32 and 50.68 per cent. in 1928-29. These figures did not include Canadian grain amounting to 14,690,000 bushels (calendar year 1932), which after being exported from Fort William and Port Arthur *via* the United States, was rerouted for export at Montreal or other Canadian ports. Imports from overseas countries *via* the United States during the fiscal year 1933 declined from \$4,960,324 in 1931-32 to \$3,065,157, or from 2.19 per cent. to 1.76 per cent.

Canada's Canals in 1932. 1932 traffic statistics of Canada's ten canals—Sault Ste Marie, 1.38 miles; Welland Ship, 27.60 miles; St. Lawrence, 46.94 miles; Chambly, 11.88 miles; St. Peter's, 0.50 miles; Murray, 5.15 miles; Ottawa, 7.00 miles; Rideau, 133.50 miles; Trent, 248.80 miles; and St. Andrew's (one lock)—compiled by the Dominion Bureau of Statistics, were stated by the latter to be necessarily subject to a large amount of duplication, as vessels and cargoes using two or more canals in going from port of clearing to port of destination were included in the statistics for each canal used. The number of vessels using the canals in 1932 totalled 21,915, a decrease of 5,736 from 1931. The total freight carried amounted to 17,960,650 tons, an increase over the previous year of 1,771,576 tons. Passenger traffic dropped to about one-third the 1931 total—to 44,189, as compared with 126,633 in 1931. Of the total tonnage passing through Canadian canals, 73.73 per cent. originated in Canada and 26.27 per cent. in the United States; 88.23 per cent. was transported in Canadian vessels and 11.77 per cent. in United States vessels.

Freight rates for grain were the lowest for the previous 15 years. The average for June, 1932, on wheat from Fort William-Port Arthur to Montreal was only 4.14 cents and the rates ranged from 3.5 to 5.0 cents. For the season the average rate was 5.09 cents. Buffalo rates were particularly low, averaging only 1.43 cents per bushel. Two cargoes shipped through from the head of the lakes to England were at 20 cents per 100 pounds in United States currency, which was approximately 13.15 cents per bushel Canadian currency.

Although the traffic in 1932 through the Canadian lock at Sault Ste Marie amounting to 2,137,715 tons, was heavier than the 1931 traffic and than any year since 1917, the total traffic through the locks on both sides of the River was the lightest since 1897, amounting to only 20,484,169 tons. This was due almost entirely to the light down-bound iron ore traffic which had decreased yearly from 64,917,703 tons in 1929 to 3,607,119 tons in 1932; up-bound bituminous coal had also decreased by more than one-half since 1929.

The Welland Ship canal, which, ever since the completion of its construction in the middle of 1931, had been used for navigation, had its official opening on Aug. 6, 1932, when the steamship *Lemoyne* with a cargo of 15,900 tons, or 530,002 bushels of wheat, was passed down the canal. The traffic using the canal in 1932 was the largest on record, surpassing by 14.8 per cent. the record for the Welland canal made in 1928. The total freight using the canal amounted to 8,537,460 tons, an increase over the 1931 traffic of 1,263,574 tons. The down-bound iron ore traffic, which had started in 1931 with 255,814 tons, dropped to 54,075 tons in 1932. Bituminous coal, barley and oats tonnage were lighter but Canadian wheat increased by 781,036 tons or 26,034,533 bushels; United States wheat decreased by 9,506,900 bushels. Down-bound traffic to Kingston from Lake Superior showed a large increase, from 215,121 tons in 1931 to 747,527 tons in 1932. Canadian grain transhipped at Buffalo and other United States ports to Canadian ports amounted in 1932 to 17,251,395 bushels, of which Canadian boats (down-bound through the Welland Ship canal) carried 17,009,755 bushels. This was an increase of 5,690,540 bushels over the 1931 transshipments. The details of the movement are shown in the following table:

Grain Down-Bound Through the Welland Ship Canal, 1932

	Wheat Bush.	Barley Bush.	Oats Bush.	Rye Bush.	Flax Bush.	Corn Bush.	Total Bush.
<i>Canadian Grain—</i>							
From U.S. Ports to							
Can. Ports—							
In Can. boats...	14,252,000	1,594,291	19,000	1,116,464	28,000	.....	17,009,755
In U.S. boats...	179,533	.....	.....	62,107	.....	.....	241,640
From Can. Ports to							
U.S. Ports—							
In Can. boats...	260,000	.....	.....	.....	.....	.....	260,000
In U.S. boats...	681,367	.....	.....	.....	.....	52,107	733,474
From U.S. Ports to							
U.S. Ports—							
In U.S. boats...	844,933	.....	.....	160,214	.....	.....	1,005,147
From Can. to Can.							
Ports—							
In Can. boats...	78,296,833	8,055,916	9,031,176	6,647,286	712,036	17,535	102,760,782
<i>United States</i>							
<i>Grain—</i>							
From U.S. Ports to							
Can. Ports—							
In Can. boats...	238,366	325,416	405,353	.....	.....	3,096,821	4,065,956
In U.S. boats...	71,000	.....	.....	222,892	.....	1,441,714	1,735,606
From U.S. Ports to							
U.S. Ports—							
In Can. boats...	90,000	.....	.....	.....	.....	.....	90,000
In U.S. boats...	1,374,066	39,000	748,588	.....	219,000	5,557,607	7,938,261
From Can. to Can.							
Ports—							
In Can. boats...	.....	49,958	.....	89,893	.....	452,535	592,386
From Can. Ports to							
U.S. Ports—							
In U.S. boats...	569,500	.....	.....	.....	.....	105,464	674,964
Total Grain...	96,857,598	10,064,581	10,204,117	8,298,856	959,036	10,723,783	137,107,971
Can. grain in U.S.							
boats	1,705,833	.....	.....	222,321	.....	60,791	1,988,945
U.S. grain in Can.							
boats	328,366	375,375	405,353	89,892	.....	3,719,357	4,918,343

The total traffic using the St. Lawrence canals during 1932 amounted to 6,693,800 tons, an increase of 656,820 tons over the 1931 total, but not up to the records made in 1927 and 1928. During the season 105 cargoes of coal from the United Kingdom passed up the canals, aggregating 219,106 tons, in addition to 10 cargoes of other commodities; 56 cargoes (90,185 tons) of wood pulp from Germany, Finland, Norway and Sweden, 10 cargoes, (11,777 tons) of gasoline from Roumania, 3 cargoes of iron and steel from Germany and Belgium and one cargo of china clay from Denmark, also passed up the canals. From the Maritime Provinces there passed 61 cargoes of coal, 4 cargoes of iron and steel, 4 cargoes of wood pulp, one cargo of pulpwood, 8 cargoes of sugar, one cargo of gypsum, one cargo of potatoes and one cargo of merchandise. Down-bound there were 26 cargoes of tar pitch for France, England, Spain and Belgium, 39 cargoes of flour for Spain, Scotland, Ireland and the Maritime Provinces and 5 cargoes of automobiles for England and Belgium. This was the heaviest traffic yet recorded to and from points beyond the St. Lawrence.

With the exception of the St. Andrew's canal, which increased from 16,276 tons in 1931 to 37,182 tons in 1932, all other canals showed decreases in their freight tonnage traffic, ranging from 239,396 tons on the Ottawa canal, to 20,986 tons on the Chambly and 17,983 tons on the Trent, to 465 tons on the Murray canal.

Canadian Hydrographic Service. The following operations were carried out by the Canadian Hydrographic Service under the Department of Marine, Ottawa, during the fiscal year ending Mar. 31, 1933: (1) Atlantic Coast and Great Lakes District—The C.G.S. *Acadia* was employed in hydrography and charting of the North shore of the Gulf of St. Lawrence, from the vicinity of Cape Whittle on the eastward for 90 miles to Natashquan

on the westward. In this area there was charted 740 square miles, and a number of harbours surveyed; magnetic observations for variation of the compass obtained; direction-finding stations in the Gulf of St. Lawrence calibrated; and a spring patrol made of the ice conditions off Belle Isle. The C.G.S. *Cartier* conducted, in the early part of the season, in the Lower St. Lawrence, between Father Point and Pointe des Monts, investigations of tidal streams and an oceanographical survey of St. Lawrence waters and, later, harbour surveys and charting in the vicinity of the Magdalen Islands. In Hudson Strait work was continued with a small party based on Douglas Harbour, from which point over 100 miles of the south shore of the Strait was charted, using 2 ½-ton motor launches. Surveys were made of harbours of refuge and anchorages; a magnetic survey was conducted for purposes of determining the variation of the compass; tidal observations were obtained and salient points of the coast determined by astronomical observations. In the Strait, 360 square miles were charted. The charting of the Saint John River to Upper Gagetown was continued during the season, making a complete survey of both shores and the water routes. In the Upper St. Lawrence, the new deep water ship channel was charted from Brockville to Prescott by the motor launch *Boulton*, and 39 shoal reefs swept and examined, and large scale surveys made of the Brockville Narrows and the new Lower Lake Terminals. On Lake Winnipeg charting operations were conducted along the steamboat routes in the lower section of the Lake leading to the mining areas, 65 square miles in all being sounded. (2) Pacific Coast District—In 1932 the C.G.S. *Lillooet* carried out a coastal survey of the West coast of Vancouver Island and a coastal triangulation of Juan de Fuca Strait; also sweeping and testing various channels and conducting trials of echo-sounding apparatus. Several harbours on the West coast of Vancouver Island were surveyed. (3) Division of Precise Water Levels—During 1932 this division maintained automatic self-registering water level gauges at 42 locations on the Great Lakes and the St. Lawrence River, from Port Arthur to Quebec, from which 473 months of continuous records were obtained. (4) Tidal and Current Division—The 11 principal tidal stations—six on the Atlantic coast and five on the Pacific coast—were maintained and operated during 1932. In addition, in 1932, seasonal tidal stations were operated in the Lower St. Lawrence, Prince Edward Island, and at Port Churchill, Hudson Bay. In conjunction with the *Cartier* in the Lower St. Lawrence, the tidal and current staff carried out investigations of the surface and sub-surface currents to obtain further data for the assistance of shipping, navigating these waters in foggy weather. On the Pacific coast, the tidal streams at various points on the West coast of Vancouver Island were observed for slack water to supplement observations of the previous Summer.

Canadian Shipping in 1932-33. In delivering his Address to the Annual Meeting of the Shipping Federation of Canada held at Montreal, on Feb. 8, 1933, the President, J. W. Nicoll, reviewed the difficult conditions encountered during 1932 by the shipping industry throughout the world consequent upon restricted international trade. He drew attention, however, to one pleasing feature of the year's operations in Canada, namely, the material increase in the volume of bulk cargoes, principally coal inward and grain outward. While realizing that it was somewhat early at that date to forecast the benefits which might accrue to shipping from the Empire Trade Agreements of the Imperial Economic Conference of 1932, he declared: "I cannot but think they will be extremely beneficial to the operators of ocean-going vessels on Empire routes, and that they will result in the facilities of our national ports being used to a much greater degree than formerly in the handling of goods shipped from and destined to Canadian points." Mr. Nicoll strongly urged the importance of a special study of water levels in the Harbour of Montreal by a competent engineering commission of the Federal Government. He stated that the Federation gave full endorsement to the recommendations contained in the Report (issued Jan. 15, 1932) of Sir Alexander Gibb, C.B.E., on the survey of Canadian ports. "It is our expect-

ation that early action will be taken by the Federal Government to give effect to the suggestions contained in the Report. Whilst the Government will presumably devote particular attention to the recommendations affecting the administration of our national harbours, your Executive is strongly of the view that the revaluation of capital assets at certain of our ports is a matter of prime importance."

It was also the opinion of the Executive, Mr. Nicoll said, that the Federal Government should make every effort to complete the 35 ft. deepening of the St. Lawrence Ship Channel by the season of 1934; at the same time he acknowledged the already valuable work accomplished in that connection. Commenting on the St. Lawrence Deep Waterway Treaty, the President of the Federation contended that the navigational advantages claimed for Canada through the construction of this deep channel were, at best, problematical, that any benefits likely to accrue in the near future were insignificant when compared with the immense cost of the undertaking, and that they would affect only a limited section of the country. "At the present time our country is lacking neither in efficient transportation facilities nor in national outlets for its produce. For these reasons, quite apart from considerations of national finance, I feel it cannot be contended that the construction of this expensive seaway is a matter of urgency, so far as Canada is concerned."

New agreements, calling for a reduction of 10 per cent. in wages, were concluded, Mr. Nicoll stated, during the year with the various shore labour unions at Montreal, Halifax and Saint John. Representations to the Pilotage Authority of the Department of Marine were again being made, with a view to securing such reduction in pilotage rates for the ensuing season as was in keeping with prevailing conditions.

The total tonnage of vessels entered in the Federation during 1932 was 1,515,642 gross tons, as compared with 1,396,037 tons in 1931. Liner tonnage showed a slight decrease from the previous year, but the heavier movement in bulk cargoes, inward and outward, at the Port of Montreal, resulted in a substantial increase in the volume of transient tonnage entered in the Federation. Mr. Nicoll quoted figures published by Lloyd's Register showing that in 1932 there was a decrease from the previous year in the world's steam and motor tonnage, of 354,660 gross tons, the 1932 total being 68,368,141. There was a reduction in sailing tonnage of 42,070 gross tons, which brought the total decrease for 1932 in the tonnage of the world to 396,730 gross tons. In 1914, the world's steam and motor tonnage had totalled 45,403,877 gross tons. It was estimated that in 1932 the laid-up tonnage of the world was approximately fourteen million gross tons.

The Canadian Government Merchant Marine, Limited, reporting for the year ended Dec. 31, 1932, disclosed a decrease from 1931 of \$1,527,473 in total operating revenues of \$2,261,755; and of \$1,645,146 in total operating expenses of \$2,588,369, leaving an operating deficit of \$326,613, which compared with a deficit for the previous year of \$444,286. The decrease in revenue was due to depressed trade conditions, resulting in fewer sailings, and to keen competition in the intercoastal service. After adding to the operating deficit book-keeping accruals for depreciation and interest on Government notes and advances amounting to \$3,870,736, the net income deficit for the year was \$4,197,349. At the end of the year the fleet consisted of 23 steamers with a deadweight tonnage of 178,414. During 1932, 7 vessels were sold, the proceeds of \$120,942 being applied to the cancellation of the liability to the Government which was represented by notes. In the interest of economy, the Australia and New Zealand services were temporarily combined. At the close of the St. Lawrence season of navigation in 1932 it was decided to withdraw from the Intercoastal service, the vessels so employed being disposed of as opportunity offered. The principal general officers were: Acting President, S. J. Hungerford; Secretary, R. P. Ormsby; and General Manager, A. H. Allan.

The 65th Annual Report of the Department of Marine for Canada (Minister: Hon. Alfred Duranleau) covered Canadian shipping for the year

1931 (latest available information from that Department). Statistics showed that in that year there were 238 vessels built in Canada and registered with a gross tonnage of 21,646 tons and a net tonnage of 16,434. According to a statement showing the number of vessels and number of tons on the Registry Books of the Dominion on Dec. 31, 1931, the figures were given as follows: (a) sailing, 3,168; gross tonnage, 530,559; net tonnage, 507,764; (b) steam, 5,737; gross tonnage, 1,558,513; and net tonnage, 919,884. A total of 311 vessels were removed from the Registry Books during the year. It was estimated that 46,302 men and boys, etc., inclusive of masters, were employed on ships registered in Canada in 1931.

The Canadian Pacific Steamships Limited in 1932 had a fleet of 50 ocean and coastal steamships, with a gross tonnage of 462,414. The operations of the Company on both the Atlantic and the Pacific resulted in a somewhat better showing than during 1931, due largely to drastic reductions in expenses. Overseas passenger traffic to and from Canadian Atlantic and Pacific ports showed a decrease in 1932. There was a small increase in passenger traffic on the Atlantic from Canadian ports, but the westbound Atlantic movement declined by 14.7 per cent., being particularly affected by the drastic curtailment of immigration. The Company in 1932 retained its leadership in passenger carryings to and from Canadian Atlantic ports, conveying 59.8 per cent. of that traffic, with only 35.2 per cent. of the aggregate departures and arrivals of all steamship lines. In 1932 the *Empress of Britain* increased her carryings for the year by 4,156 passengers, with only three additional sailings (one-way). Freight tonnage and revenue on the Atlantic both showed slight declines. Cruises, in which no fewer than 25,221 people participated in 1932, were operated from Canada and the United States as in previous years, and there was a new development in short sea cruises from the United Kingdom, enabling the use, at an actual profit, of several vessels which otherwise would have been laid up at heavy expense. Despite the keen competition from Government-subsidized fleets on the Pacific, Canadian Pacific steamships in 1932 maintained their relative position in traffic to and from the Orient. An average of 1,368 people were conveyed as full or part-voyage passengers on each round trip of the Empress ships. Freight tonnage on the Pacific was approximately the same as in 1931, but freight revenues showed a decrease of about 10 per cent.

The 19th Annual Report of Canada Steamship Lines, Limited, for the year 1932, showed a total revenue amounting to \$8,069,796, a decrease of \$1,489,013 from 1931, due mainly to declines in passenger revenue and in miscellaneous operations. Expenses totalled \$7,508,583, leaving net earnings of \$561,213. After deducting interest on funded debt, reserve for depreciation and bond discount and expense written off of \$2,747,439, a net loss for the year was shown of \$2,186,226. No dividends were paid during the year, and the dividends on the Preference Stock were in arrears to the amount of 15 per cent. at Dec. 31, 1932. The fleet consisted of 103 steamships of which 85 were freight and 18 passenger. There were no capital expenditures of any importance during the period under review. The executive officers were: President and Managing Director, W. H. Coverdale; Vice-President, Hon. A. J. Brown, K.C.; General Manager, T. R. Enderby; Treasurer, J. I. Hobson; and Secretary, R. B. Thomson.

The Canadian National (West Indies) Steamships, Limited, according to their Annual Report for the year ended Dec. 31, 1932, had a fleet of 11 vessels with a deadweight tonnage of 63,426. During the year 3 vessels were transferred from the Canadian Government Merchant Marine to the West Indies' Fleet and four smaller vessels were transferred back to the former Company C.G.M.M., in order to give a better and more economical service to the West Indies' route. Operating revenues for 1932 amounted to \$3,323,077, a decrease of \$325,908 from 1931, and operating expenses were \$3,606,793, a decrease of \$488,761, leaving an operating deficit of \$283,716, as compared with a deficit in 1931 of \$446,569. After providing for bond interest and discount, depreciation, and interest on notes held by the Government, the total book deficit for 1932 was \$1,293,014, as compared with \$1,345,361 in the previous year. Freight

revenue was less by 212,189, partly accounted for by the diversion from Canada to Great Britain of a large proportion of the West Indies sugar crop, as a result of the increase in March, 1932, in British preferences on Colonial sugars.

Transportation Incidents. In an attempt to stabilize freight rates for shipping grain from the head of the Lakes to Montreal, and also as a result of the withdrawal of the railroads from competition in that field, shipping companies gradually increased the rates from 4 cents in July, 1932, to 7 cents effective Oct. 1. Complaints to the Dominion Government from representatives of the Prairie Governments and the Wheat Pools that such rates were excessive in view of declining wheat prices, were followed by the announcement on Oct. 23 of a reduction of $\frac{1}{2}$ cent per bushel.

An Order-in-Council passed in September, 1932, provided that the sum of \$1,447,223 should be advanced by the Dominion Government to the Canadian Pacific Railway Company under the Unemployment and Farm Relief Acts, 1931 and 1932. In November, 1931, the Government had pledged its assistance to this extent to enable the Railway to reopen its shops in eight railway centres, which had been closed in the previous month upon completion of necessary repair work; this action meant bringing to an end the enforced idleness of nearly 8,000 men. At the Angus shops in Montreal, 4,654 men returned to work; at the Weston shops at Winnipeg, 1,939; at Calgary, Alta., 944; at McAdam, N.B., 131; at North Bay, Ont., 160; at Carleton Place, Ont., 64; at Vancouver, 220; and at Toronto, 340.

The Commissioner (S. A. Baulne) appointed by the Government to investigate the circumstances attending the explosion on June 17, 1932, in the Drydock of Canadian Vickers Limited, Montreal, in a Report issued Dec. 29, 1932, found that all parties interested had agreed upon the method which, they were satisfied, involved no danger, for the drydocking of the *Cymbeline*, and the manner in which the oil should be stored in the tanks of the drydock; and that before any repairs were started on board the *Cymbeline*, the vessel had been gas free. No definite conclusion as to the cause of the disaster was reached, other than the primary and obvious fact of oil being stored in the tanks of the drydock from which explosive petroleum vapour was generated, not in itself sufficient, however, to cause an explosion. The following were some of the recommendations of the Commissioner: (1) that no crude oil, gasoline, benzine or any substance of an explosive nature should ever be stored in the tanks of a floating drydock; that a commission should be named to frame rules or regulations governing these explosive substances; and that the question be studied of whether the Harbour of Montreal should be equipped with a powerful tug, similar to the *St. Peter*, which was, however inadequate for the protection of the Harbour.

Petitions of the Provinces of Saskatchewan, Alberta and British Columbia and the United Farmers of British Columbia for reduced westbound domestic grain freight rates, involving an appeal against a General Order of the Board of Railway Commissioners, 1927, were dismissed by the Dominion Government on Feb. 25, 1933.

A joint statement, issued on Mar. 1, 1933, by officials of the Canadian Pacific and Canadian National Railways, announced the inauguration in Ontario of door-to-door pick-up and delivery of freight shipments without extra cost to either shipper or consignee. The two Railways had completed contracts with approximately 45 trucking firms at cities and towns served by their lines in western Ontario. It was emphasized that the Railways were not going into the trucking business, but were desirous of meeting truck competition. A later statement further explained that "the movement of freight will still be by rail, but under the new plan will include cartage to and from the freight sheds of the Railways."

The visit to Canada, where it was unloaded Apr. 21, 1933, on its way to the Century of Progress Exhibition at Chicago, of the *Royal Scot*, the London, Midland and Scottish Railway train, was an event arousing keen interest

throughout the country. At each of the cities visited invitations to the public to inspect it were responded to in overwhelming numbers.

Aviation in Canada during 1932

The Report of the Dominion Comptroller of Civil Aviation covering 1932 activities included the following comparative aviation statistics (including those for the Ontario Provincial Air Service and for the light aeroplane clubs) for 1931 and 1932: flights made, 102,219 (1932), as compared with 144,080 (1931); hours flown, 56,170 as against 73,645; passengers carried, 76,800 as against 100,128; freight carried, 3,129,974 lb. as against 2,372,467 lb.; mail carried, 413,687 lb. as against 470,461 lb.; firms chiefly operating aircraft, 73 as against 100; and total aircraft mileage, 4,569,131 as against 7,046,276. Although there was a decrease in the number of flights and passengers carried in 1932, this was amply balanced by the considerable increase of 757,507 lb. of freight carried.

The very slight reduction in the amount of air mail carried, in spite of the cancellation early in the year (1932) of the three principal air mail routes, Amos to Chibougamau, Toronto to Detroit and Winnipeg to Edmonton, indicated increased activities in the remaining services. These, which were stated to be self-sustaining and to have shown a good profit for the year, were as follows: yearly—Montreal-Albany, Sioux Lookout-Red Lake area, Fort McMurray-Aklavik, Peace River-North Vermilion, Amos-Siscoe, Siscoe-Pascal, Winnipeg-Pembina, Prince Albert-Lac La Ronge and Resolution-Great Bear Lake; Summer—Rimouski-Montreal, and Vancouver-Victoria; Winter—Leamington-Pelee Island, Quebec-Seven Islands, Seven-Islands-Anticosti Island, Moncton-Magdalen Islands, Moncton-Charlottetown and Peace River-North Vermilion. In addition to the regular mail contracts, a special service, authorized by the Post Office, was operated between Whitehorse and Dawson, Yukon Territory.

In 1932, 73 commercial aircraft operators were engaged in the following activities: transportation of mail, passengers, freight and express, flying instruction, air photography, timber cruising, forest fire and fishery patrols, exhibition flying, mining exploration and prospecting, etc., and were established among the different Provinces—5 in New Brunswick, 14 in Quebec, 20 in Ontario, 8 in Manitoba, 6 in Saskatchewan, 7 in Alberta, 12 in British Columbia and one in the Yukon. There were 348 registered civil aircraft, 419 commercial air pilots, 356 private air pilots and 341 air engineers. Aerodrome licences in force at Dec. 31, 1932, numbered 81.

During 1932, 23 light aeroplane clubs were active, of which the total membership was 2,663. A total of 10,701 hours and 15 minutes was flown and 134 private licences and 30 commercial licences were obtained by members. Three clubs qualified for the grant of additional aircraft during the year by purchasing aircraft themselves. The Flying Club Scheme, inaugurated in the Autumn of 1927 for five years by the Department of National Defence, was extended for a year, under a modified agreement.

Total flying accidents causing death or injury in 1932 were 16, involving 13 deaths, of whom 6 were pilots, 6 passengers, and 1 third party, and 12 injuries, of whom 7 were pilots and 5 passengers. This compared with 25 accidents in 1931, involving 27 deaths and 20 injuries.

Aviation Incidents. An extensive programme leading to the establishment of a vast network of emergency landing fields from coast to coast throughout Canada, at 30-mile intervals, was undertaken by the Government during 1932-33, primarily as a measure for alleviating unemployment.

A combined air-steamer service making connection with trans-Atlantic steamers was operated during the Summer of 1932 in the Straits of Belle Isle. This was regarded as a direct stepping stone toward an eventual trans-Atlantic service *via* a Canadian route.

A monument was unveiled at Gaspé, on Aug. 16, 1932, to Count Jacques de Lesseps, the second aviator to fly the English Channel and the first to

complete an air-journey between Montreal and Toronto, who was accidentally killed while trying to land his plane on the south shore of the St. Lawrence River in August, 1927.

Canadian Airways Limited, (President, James A. Richardson) in its Report for the year 1932 referred to the shrinking volume of traffic and the low levels of rates brought about by uncontrolled competition, which had affected the business of the Company to the extent that the total net loss for 1932 was \$634,780, after providing for depreciation in the amount of \$341,023 and adding \$17,630 to the Insurance reserve. Total operating revenues of \$676,881 showed a 52.1 per cent. decrease from 1931. Although the number of revenue passengers carried in 1932 totalled 8,963, an increase of 11.4 per cent., revenues therefrom declined from \$175,268 in 1931 to \$161,040. Mail, freight and express carryings amounted to 2,169,202 lb., as compared with 1,223,908 lb. the previous year. There was a 90.9 per cent. decrease in 1932 in revenue from aerial photography, usually a source of substantial revenue. The prospects of the further development of "bush" transportation as the most promising form of activity, while Government operations were restricted, was pointed out, and the upward trend in volume of traffic of freight and passengers in the numerous mining areas of Canada, was noted. It was stated that the Company's aeroplanes were serving every mining area of consequence in the Dominion.

The Telephone, Telegraph and Radio in 1932-33

The Report of *Telephone Statistics* for the year 1932, issued by the Dominion Bureau of Statistics in December, 1933, showed a total of 1,261,245 telephones in service in Canada, a decrease of 7.5 per cent. from the 1931 total and 10.1 per cent. from the high record made in 1930. The density of 12.0 telephones per 100 population was exceeded only by the United States where in 1931 there were 15.8 telephones per 100 population. The density in 1931 in Denmark was 10.1, in New Zealand, 9.9 and in Sweden, 9.1. Switzerland, Australia and Norway had averages between 8 and 7, and Hawaii, an average of 6.5, but no other country had half as many telephones in proportion to population and only four countries, the United States, France, India and the United Kingdom, had a greater total number of telephones. Rural telephones showed the largest decrease during the year, declining from 245,485 in 1931 to 220,680. Urban residence telephones decreased from 723,868 to 663,815, and business telephones from 369,281 to 351,509. Public pay telephones fell slightly from 25,566 to 25,241.

The total investment recorded a small increase in 1932, being \$333,169,486, as compared with \$333,055,119 in the previous year. Gross revenues amounted to \$60,684,992, or \$6,121,588 less than in 1931; expenses were reduced from \$60,067,016 to \$55,344,023 despite increases in taxes, including the excise tax on long-distance calls, and in interest on debentures; net income was reduced from \$6,739,564 to \$5,340,969.

The total number of completed calls was estimated at 2,346,573,225, of which 2,319,354,000 were local calls, and 27,219,225, long-distance calls. The number of persons employed totalled 21,354, with a payroll of \$24,115,545, as compared with 23,825 persons in 1931 with a payroll of \$28,493,252. The number of systems amounted to 2,414, as against 2,399 in the previous year; pole line mileage was 220,459, as compared with 222,196; and wire mileage increased to 5,089,261 from 4,985,076 in 1931. The miles of wire per telephone were 4.03 in 1932 and 3.65 in 1931; and the miles of wire per mile of pole line were 23.08 as against 22.43 in the previous year.

The 53rd Annual Report of the Directors of the Bell Telephone Company of Canada for the year 1932, recorded a marked decrease in the demand for exchange service; 183,938 telephones were connected and 245,703 disconnected, a net loss of 61,765 as compared with a loss of 10,063 in 1931. There were 712,968 telephones in service at the end of 1932 of which 244,710 were business and 468,258 residence telephones; this total included 72,213 extension tele-

phones. Other telephone systems in Ontario and Quebec, with which service was interchanged, numbered 848, serving 143,780 telephones, a decrease of 8,947 from 1931. Exchange revenue for the year was \$29,030,385 as compared with \$30,258,928 in the previous year; long distance revenue was \$8,069,725, a decrease of \$1,779,536; miscellaneous revenues and revenue from outside investments decreased 25.4 per cent., due, chiefly, to the discontinuance of the Northern Electric Company dividend and reductions in rates of dividend of other telephone companies. The gross revenue for 1932 totalled \$38,855,346, a decrease of \$3,605,831 and operating expenses were reduced by \$3,164,682 to \$26,677,566. The net income available for dividend was \$4,740,941. Therefore, in order to make a dividend payment of \$7.25 per share for the year or a total payment of \$5,577,809, it was necessary to draw upon surplus to the extent of \$836,868. Capital expenditures were limited to imperative extensions and improvements. The policy was continued of borrowing New York funds from the American Telephone and Telegraph Company for bond interest and other indebtedness payable in New York funds. The number of shareholders increased during the year from 20,664 in 1931 to 21,477, of whom 93.9 per cent. resided in Canada and held 66.4 per cent. of the stock. Gross additions to the Company's plant in 1932 amounted to \$12,658,000. The dial system conversion was continued in Toronto and Montreal. At the end of 1932 in the five cities with dial installation there were 323,112 dial operated telephones, representing 74 per cent. of the total stations in these cities and 45 per cent. of the total company stations. Work on the Canadian portion of the new toll cable between Montreal and Elizabethtown, N.Y. was continued and practically completed. The Company placed in service in July, 1932, a new link in its long distance system when, through co-operation with the Canadian Marconi Company and the British Post Office, a direct telephone channel between Montreal and London, England, was opened. The Company had 25,029 miles of pole lines, and 3,317,827 miles of wire. Employees numbered 11,796 and the total payroll was \$15,818,679. The average daily exchange connections were: local, 5,097,600; and long distance, 53,200. Officers in 1932 were: C. F. Sise, President; J. E. Macpherson and P. A. McFarlane, Vice-Presidents; E. Palm, Vice-President and Comptroller; and W. H. Black, Secretary-Treasurer.

The Maritime Telegraph and Telephone Company Limited, in their 23rd Annual Report for the year ended Dec. 31, 1932, for the first time in their history showed a loss in telephone stations of 1,795; the total for the year was 39,040. Gross revenue declined to \$1,762,905 as compared with \$1,873,669 in 1931. Of this decrease long distance service accounted for \$86,722. An amount of \$210,000 was expended on maintaining the plant and equipment at its usual high standard. In the latter part of the year an issue of \$500,000 of Treasury bonds was approved but up to the date of the Company's Annual Meeting, Feb. 14, 1933, it had not been possible to market the bonds at a satisfactory price.

A loss in operation of \$163,215—the first in ten years—was reported by the Manitoba Telephone System for the fiscal year ended Nov. 30, 1932. The balance in surplus at the close of the year was \$64,816, as compared with the surplus of \$215,894 at the end of the previous year. The number of telephones decreased from 70,689 in 1931 to 65,271, a loss of 5,418. The total revenue for 1932 amounted to \$3,229,182, as against \$3,580,318 in 1931 and expenses, to \$2,313,737, as against \$2,457,414. The new head office building in Winnipeg was officially opened during the year.

The Department of Telephones of the Province of Saskatchewan in its Annual Report for the year ended Apr. 30, 1933, recorded a further drop in earnings of \$281,135 from the previous year. Controllable operating expense was reduced by \$118,914. Gross revenue amounted to \$2,046,380 and expenditure, to \$1,409,628. The net loss for the year was \$51,569. Government-owned stations in 1933 numbered 32,286, a decrease from the previous year of 3,452 telephones, and rural connecting stations numbered 31,850, a decrease of 2,428. Plans adopted during the period included the employees' sales plan

(Sept. 15, 1932) and the monthly billing for exchange services charges for Regina, Saskatoon and Moose Jaw (Mar. 1, 1933), the equalization of rates with extended rate zones being put into effect in these three cities at the same time.

The Alberta Government Telephones for the year ended Mar. 31, 1932, reported a deficit of \$615,281, making a total corporate deficit of \$654,952. During the year, operating revenues dropped from \$3,555,992 to \$2,969,722, long distance revenue showing the largest decrease—20.66 per cent. Station losses were heavy. All extension work was cancelled during the year with the exception of the Trans-Canada Telephone Lines, which were completed and opened for service.

The 41st Annual Report of Directors of the British Columbia Telephone Company for the year 1932, recorded the number of telephones in use as 108,911, a decrease of 7,502 from 1931. Gross revenues from telephone services were \$4,912,512 and expenses, \$4,275,834. The surplus was drawn upon to the extent of \$19,573, to pay the dividend on the ordinary shares. Good results were reported from the employees' sales plan.

Proceedings of the 1933 Meeting of the Trans-Canada Telephone System held at Winnipeg, June 19-21, covered the agreement on the allocation of expenses, presentation of traffic reports, discussion of advertising programmes for the ensuing twelve months and a discussion on rates and service in general. On May 1, 1933, a Trans-Atlantic telephone service to Europe, Asia, Africa and Australia was routed to London *via* Montreal, instead of *via* New York as formerly. During the year Overseas telephone service was made available to some seventeen additional foreign countries and islands as well as to certain additional ships at sea.

The Telegraph Companies in 1932. Telegraph and cable systems operating in Canada in 1932, were: the Canadian National Telegraphs, Canadian Pacific Railway Company, Dominion Government Telegraph Service, Halifax and Bermudas Cable Company, Canadian Marconi Wireless Company, North American Telegraph Company, Pacific Cable Board, Temiskaming and Northern Ontario Railway Commission, and Western Union Telegraph Company. For the third successive year the gross and net revenues and income showed decreases. Gross revenues decreased from \$11,641,729 in 1931 to \$9,381,075 in 1932; net revenues from \$920,780 to \$361,023; and the net corporate income debit increased from \$495,150 to \$1,130,018. Operating expenses, however, also showed a decrease—from \$10,720,949 in 1931 to \$9,020,052. The number of employees was reduced from 6,637 to 5,788, and salaries and wages, amounting to \$6,627,605, were cut by \$1,247,453 in 1932. The pole line mileage amounted to 52,362 miles, a decrease of 866 miles, and the wire mileage to 366,142 miles, a decrease of 2,441 miles. The number of telegraph offices dropped from 4,474 in 1931 to 4,248 in 1932. The number of telegrams, including messages originated in Canada and messages received from the United States connections for forwarding and delivering in Canada, amounted to 10,519,433, as against 13,200,198 in the previous year. Messages originated in Canada decreased 18.2 per cent. and United States messages received, 31.6 per cent. Cablegrams declined from 1,733,340 in 1931 to 1,506,393 in 1932, exclusive of wireless messages to and from boats at sea and messages to and from the United States. Money transferred by telegraph amounted to \$4,698,660 in 1932, as compared with \$7,475,928 in the preceding year. Very little construction work was carried on during the year, the total being valued at \$305,737 as against \$1,089,413 in 1931.

Conditions of the Canadian Marconi Company in 1932 were reported as having been substantially worse than those in 1931. The manufacturing side of business was reduced by more than 50 per cent. and a heavy loss was shown. On the traffic side there was a comparatively small reduction in gross receipts which was nearly compensated by the reduction in expenses. Owing to the first class working condition of properties and equipment, the provision for depreciation made in past years was reduced from \$234,730 to

\$131,468. A loss of \$188,086 was finally shown as compared with \$98,651 in 1931. The direct telephone service with Great Britain inaugurated during the year in conjunction with the Bell Telephone Company and the British Post Office was recorded as working very satisfactorily.

Radio Affairs in 1931-32. The personnel, as announced in October, 1932, of the Canadian Radio Broadcasting Commission, created under the Canadian Radio Broadcasting Act, 1932, comprised: Hector Wiloughby Charlesworth, Editor of *Saturday Night*, Toronto (Chief Commissioner and Chairman); Thomas Maher, Quebec (Vice-Chairman); and Lieut.-Col. William Arthur Steel, M.C., Ottawa. Mr. Charlesworth and Mr. Maher were sworn into office on Oct. 31, 1932; Colonel Steel was absent in Europe at the time. (See *The Canadian Annual Review*, 1932, pp. 60-2). On Nov. 30 two other appointments to the Commission were made: E. A. Weir, Director of Radio for the Canadian National Railways, as Supervisor of Programmes, and E. C. Buchanan, President of the Parliamentary Press Gallery, Ottawa, as Director of Public Relations. Lieut.-Col. R. P. Landry, Quebec, was appointed Secretary of the Commission on Feb. 10, 1933.

Although the Commission made its first entry into the broadcasting field on Christmas Day, 1932, in connection with the Empire broadcast of the British Broadcasting Corporation, it did not come into official existence until Jan. 18, 1933, when Colonel Steel was also sworn into office. The first few months following its official installation were largely occupied in making plans, assembling the nucleus of an organization and in negotiating for the acquisition of the minimum of facilities necessary for the commencement of operations. During that period, in response to public demand, it did some broadcasting—two or three programmes a week—through the use of temporary facilities. The first definite step toward the inauguration of a regular schedule was taken in the purchase by the Commission in March, 1933, at a cost of \$50,000, of the broadcasting facilities of the Canadian National Railways, consisting mainly of three stations at Moncton, Ottawa and Vancouver. The acquisition on lease of the Toronto broadcasting station CKGW, on May 27, saw the virtual completion of arrangements for a daily broadcasting service. With this station the Commission also secured CKGW contracts, including that with the National Broadcasting Corporation of the United States. By the end of May, the use of transcontinental transmission wires for four hours a day having been acquired, Commission programmes originating in the principal cities of Canada were available for that many hours on week days and for a larger number of hours on Sundays. Also, certain programmes of a high quality were supplied by the United States in exchange for Commission programmes, of which five or six a week were broadcast throughout that country. Comprehensive plans for the extension of the Commission's service to the West and from coast to coast over the Dominion, were in progress. Eventually, when certain existing technical difficulties could be overcome, it was hoped that an arrangement for the exchange of programmes, similar to that between Canada and the United States, might be effected with Great Britain and other countries.

With a view to carrying out the provisions of the Radio Broadcasting Act, 1932, the Commission issued regulations, effective Apr. 1, 1933, whereby the direct advertising content of all programmes transmitted from Canadian broadcasting stations was limited to 5 per cent. of the programme period. Special consideration was to be granted in cases involving a combination of direct and indirect advertising, when this figure might be slightly exceeded. The approval by the Commission of the complete continuities of such programmes, including the advertising content, was required before they could be broadcast. United States programmes supplied to Canadian broadcasting stations were to be brought into conformity with these regulations, and both the Columbia Broadcasting System and the National Broadcasting Corporation signified their willingness to comply. Further radio regulations, both general and technical in nature, were announced by the Commission on May 8. The rule governing news broadcasting provided that all such broadcasts

had to be obtained either from news bulletins to be released regularly for that purpose from Canadian Press bureaux, or through arrangements with local newspapers. Previously, many items of news broadcasts were taken from the Press without the permission of the newspapers, or else were frequently received from unreliable and inaccurate sources. The advertising restrictions were reiterated, with additional clauses prohibiting any reference to prices in advertising programmes and the broadcast of advertising spot announcements between 7.30 and 11 p.m. Other regulations forbade the broadcasting of editorial opinions of a controversial nature, of abusive or defamatory statements with regard to individuals or institutions, or of statements contrary to the purpose of existing legislation. (See page 106). All programmes were required to be submitted to the Commission for approval.

The Commission and its activities were subject to a considerable amount of criticism during the first months of its existence. The apparent expense to the taxpayer involved in its upkeep, as indicated by the item of \$1,000,000 included in the 1933-34 Estimates of Parliament for the Commission, was for a time the ground for numerous complaints. In answer to these, it was pointed out that, not only had the Radio Broadcasting Act stipulated that the System should be self-sustaining, supported by a \$2 licence fee and revenue from commercial advertising (practically non-existent), but also the actual cost was far from approaching even what had been contemplated in the latter provision. The sum of \$1,000,000 referred to represented only two-thirds of the total revenue from licences on receiving sets of \$1,500,000 and was not an additional vote to the Commission out of the general national revenues. The service provided by the Commission, including every single item of expenditure in connection therewith, was, therefore, costing the individual licensee less than 50 cents. The Commission was also attacked for its allegedly biased policies, arising from the partisan character of its personnel, and was the target of the Opposition Members of the House in a lively Debate during the 1932-33 Session (see Federal Section: pp. 81-3). General objections, voiced by non-political groups as well, centred around the Commission's arrogation to itself of unlimited powers of control and censorship of all programmes. The regulations with regard to advertising also met with strong opposition among those most directly concerned.

Its advantages to the public as a national broadcasting service and its achievements during the period (January-June, 1933) were reviewed by the Commission in a brief survey of its activities. It was, it stated, supplementing the services previously available to urban centres; bringing regular Canadian broadcasting to large areas hitherto denied it; giving encouragement and actual employment to Canadian talent; removing Canada from the position of being dependent upon foreign sources for radio entertainment; and advertising Canadian talent in the United States.

During the fiscal year 1932-33 the Radio Branch of the Department of Marine (Director, C. P. Edwards, O.B.E.) issued 1,801 licences to transmitting stations, classified as follows: commercial ship, 224; limited coast, 3; aircraft, 2; public commercial, 30; private commercial, 122; private commercial broadcasting, 70; amateur broadcasting, 7; radio training, 4; experimental, 110; and amateur experimental, 1,229. The number of private radio receiving licences issued was 761,288, an increase of 162,930 over the previous year; of the total, 340,347 were in Ontario; 195,389 in Quebec; 61,368 in British Columbia; 47,980 in Manitoba; 38,380 in Alberta; 32,367 in Saskatchewan; 26,824 in Nova Scotia; 16,908 in New Brunswick; 1,484 in Prince Edward Island; and 241 in the Yukon and North-West Territories. The Inductive Interference Section of the Branch had, during 1932-33, 24 cars equipped for interference investigation work, operating from 17 cities of the Dominion. Improvement in investigation equipment was reported with a view to coping with types of interference, which, considered as normal noise level on the receivers in use in earlier years, had come to be regarded as detrimental to reception on the modern radio of greatly increased sensitivity. A new portable receiver was developed and supplied to investigators during the year. Cases of radio interference

investigated in 1932-33 numbered 11,696, of which 7,294 were from electrical distribution systems and power lines; 2,808, from domestic and commercial electrical apparatus; and 1,594 from defective receivers and radio apparatus. Of the total, 10,142 sources were definitely reported cured after investigation. It was stated that cases of interference from domestic and industrial equipment were showing a reduction owing to the fact that greater consideration was being given by manufacturers of electrical appliances and equipment to the possibility of their products causing interference. The net revenue accruing to the Radio Branch from all sources in 1932-33 amounted to \$1,460,532, as against \$582,228 in the previous year. This difference was accounted for by the increase of \$885,355 in the revenue from licence fees, which had been raised from \$1 to \$2. Verdicts favourable to the Department in seven court cases were obtained during the year, under the Radiotelegraph Act, for the unlawful installation and operation of private radio receiving sets and, in one case, for the unlawful installation and operation of transmitting equipment.

A summary of the proceedings of the International Telegraph and Radiotelegraph Conference, held at Madrid, Spain, from Sept. 3 to Dec. 9, 1932, was tabled in the House of Commons on Mar. 8, 1933, by the Minister of Marine, Hon. Alfred Duranleau, K.C. The Canadian delegation to the Convention, headed by the Minister, had been composed of Col. W. A. Steel, later a member of the Canadian Radio Broadcasting Commission; Capt. W. L. Laurie, of the Department of National Defence; Donald Manson, Chief Radio Engineer, and J. W. Bain, Radio Engineer of the Department of Marine; Jean Désy, of the Canadian Legation in Paris; and J. A. K. Laflamme of the Department of Marine, Secretary. The Report showed that the ship-to-shore radio-telegraph facilities arranged at the Conference in Washington in 1927 had been maintained intact. Progress was made during the proceedings in connection with the allocation of radio frequencies. Through the efforts of the Canadian delegation, steps were taken to alleviate broadcasting interference in the Maritime Provinces, which had arisen largely through the use by French fishing boats of a 220-metre wave-length for spark transmitters. Arrangements were made for discussion of numerous matters at a Conference of North American representatives, including those of Canada, the United States, Cuba and Mexico. It was expected that the Conference would be held in Mexico City, the date to be arranged by the United States representatives. The next Conference to be attended by representatives of all nations was to be held in Cairo, Egypt, in about five years.

The Report was made public on Jan. 23, 1933, of Mr. Justice Ewing of the Supreme Court of Alberta, appointed a Commissioner in January, 1933, by the Inquiries Act and the Copyright Amendment Act, 1931, to investigate the question of the control of performing rights (broadcasting and otherwise) in Canada by the Canadian Performing Rights Society of Toronto. It was found that the Society had complied with the spirit rather than with the letter of the Copyright Amendment Act, 1931, and that the basis for its radio broadcasting charges was unfair. In this connection Judge Ewing suggested that the Society should take for a basis the population reached by broadcasting stations rather than that of the kilowatt power of the stations.

LABOUR AND UNEMPLOYMENT RELIEF

The Department of Labour during 1932-33

Again in 1932-33 the Department of Labour had included amongst its manifold duties, the administration, under the authority given to the Minister, Hon. W. A. Gordon, of relief legislation on behalf of unemployment. The Report of the Department for the fiscal year ended Mar. 31, 1933, contained the usual comprehensive records of its several branches, some of which are summarized in the following pages.

The Employment Service Branch completed in 1932-33 its fifteenth year of co-operation with the Provincial Governments in maintaining the Employment Service of Canada. During the year the number of centres at which offices were conducted decreased to 67 by the closing of those at Cobalt, Ont., and Cranbrook, Prince George and Revelstoke, B.C. Nova Scotia had 3 centres; New Brunswick, 3; Quebec, 8; Ontario, 27; Manitoba, 4; Saskatchewan, 9; Alberta, 5; and British Columbia, 8. Besides these, there were 8 clearing houses established throughout Canada for the purpose of co-ordination. Of these, 6 were for provincial clearance, operated by the Provinces, and two, for inter-provincial clearance, operated by the Dominion Department of Labour. During the year ended Mar. 31, 1933, there was a total of 633,170 applications for employment as reported by all the offices of the Employment Service throughout Canada. This total was made up of 488,959 men and 144,211 women. There were 326,226 placements. Of this number, 253,281 were men and 72,945 women. The total placements consisted of 173,636 (141,796 men and 31,839 women) casual placements; and 152,591 (111,485 men and 41,106 women) regular placements. The following tables of the employment and unemployment situation were compiled by the Dominion Bureau of Statistics and the Department of Labour:

Index Numbers of Employment by Principal Cities

(Average Calendar Year 1926=100)

	Montreal	Quebec	Toronto	Ottawa	Hamilton	Windsor	Winnipeg	Vancouver
Jan. 1, 1932..	88.0	100.8	99.6	108.9	91.3	83.5	92.5	91.1
June 1 ..	91.7	105.6	96.8	100.9	84.9	91.0	85.2	89.4
Dec. 1 ..	85.1	95.9	91.2	92.6	76.6	63.7	82.2	85.8
Jan. 1, 1933..	77.5	92.6	86.5	85.8	70.7	63.9	80.8	82.5
Feb. 1 ..	76.1	88.9	84.7	85.7	70.4	67.2	77.8	81.2
Mar. 1 ..	75.8	92.3	84.4	85.5	70.8	70.5	78.0	80.5
April 1 ..	76.4	92.7	85.0	85.3	70.9	79.0	78.0	79.0
May 1 ..	79.5	93.7	85.6	87.2	69.4	80.6	77.0	79.2
June 1 ..	80.6	96.8	86.5	91.1	75.6	78.9	79.4	81.9
July 1 ..	81.5	99.4	87.7	91.5	77.2	80.5	80.3	83.4
Aug. 1 ..	82.4	99.5	86.9	92.7	77.5	80.9	81.7	85.2
Sept. 1 ..	84.4	99.7	88.4	93.1	77.7	76.2	82.2	87.4
Oct. 1 ..	87.3	98.3	90.9	93.2	75.4	77.6	82.3	85.9
Nov. 1 ..	86.4	94.7	91.5	95.5	79.5	76.7	81.5	85.1
Dec. 1 ..	84.5	92.9	92.0	95.4	80.0	78.2	83.3	84.9

Relative Weight of Employment by Cities as at Dec. 1, 1933.

14.6	1.4	13.0	1.4	3.0	1.2	4.1	3.1
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Unemployment in Trade Unions

(Percentage)

Month	N.S. and P.E.I.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Can.
Average 1919....	3.1	2.0	3.4	2.7	2.1	3.2	2.0	7.9	3.4
Average 1920....	1.8	2.0	7.2	3.4	3.1	3.2	2.8	11.2	4.9
Average 1921....	11.3	8.5	16.6	9.7	8.5	7.8	7.8	23.5	12.7
Average 1922....	7.1	4.3	8.6	5.0	8.9	5.4	6.1	12.4	7.1
Average 1923....	3.0	2.0	6.7	3.7	5.8	3.0	6.0	5.8	4.9
Average 1924....	5.1	4.0	10.9	6.1	6.5	4.3	5.4	5.8	7.2
Average 1925....	5.0	3.6	10.9	5.5	5.1	3.3	8.4	5.7	7.0
Average 1926....	7.8	2.1	6.8	4.2	3.6	3.0	4.9	5.5	5.1
Average 1927....	3.7	1.9	6.8	4.1	4.4	3.2	4.1	5.5	4.9
Average 1928....	4.0	1.2	6.1	3.5	4.2	3.0	4.2	5.1	4.5
Average 1929....	4.0	1.6	7.7	4.3	7.1	5.3	6.4	5.9	5.7
Average 1930....	5.4	3.7	14.0	10.4	9.6	10.6	13.3	11.6	11.1
Average 1931....	8.5	9.2	19.3	17.2	15.7	15.6	19.4	17.6	16.8
Average 1932....	9.6	14.4	26.4	23.7	20.0	15.8	22.6	21.6	22.0
Jan. 1932.....	15.1	15.9	28.4	21.5	19.0	18.0	19.3	21.8	22.0
Feb.	8.3	14.9	23.1	23.0	19.6	19.5	20.2	21.1	20.6
Mar.	8.0	13.3	23.5	21.6	20.7	17.6	23.2	20.5	20.4
April	8.9	16.0	28.1	24.0	21.9	16.9	26.1	21.5	23.0
May	8.5	14.2	26.3	23.6	21.0	14.0	26.5	20.4	22.1
June	9.6	12.0	27.1	23.4	18.1	14.4	23.4	22.3	21.9
July	8.0	13.2	26.2	24.4	19.7	13.7	25.5	20.5	21.8
Aug.	8.9	13.7	25.0	23.9	18.2	13.0	24.0	19.9	21.4
Sept.	11.7	13.1	23.6	23.1	18.7	11.0	19.1	19.7	20.4
Oct.	11.5	16.7	27.6	22.7	21.4	13.4	21.7	21.1	22.0
Nov.	7.9	13.6	27.6	25.2	20.6	17.3	19.8	24.4	22.8
Dec.	8.4	16.5	30.9	28.5	20.9	20.8	22.8	26.0	25.5
Jan. 1933.....	22.7	15.6	26.9	28.7	23.6	22.7	22.7	21.6	25.5
Feb.	9.2	17.1	27.5	28.8	22.0	21.8	19.8	21.9	24.3
Mar.	22.7	16.4	27.3	26.8	20.3	20.5	25.3	23.8	25.1
April	21.3	15.1	25.7	26.5	20.9	17.5	28.1	22.6	24.5
May	26.6	14.2	25.0	24.9	21.0	17.9	25.9	19.5	23.8
June	13.8	13.0	26.2	23.3	19.4	14.9	24.5	18.6	21.8
July	12.2	11.0	26.0	22.9	19.0	15.4	23.1	17.5	21.2
Aug.	12.6	11.1	22.6	21.7	17.9	14.3	22.0	19.9	19.9
Sept.	11.0	10.4	24.1	20.9	19.1	13.5	19.7	21.3	19.8
Oct.	12.5	9.8	25.1	20.3	19.4	13.3	16.5	21.7	19.8
Nov.	17.1	10.7	22.8	22.1	20.4	16.1	15.0	21.3	20.4

Index Numbers of Employment by Industries

(Average Calendar Year 1926=100)

		All Indus- tries	Man'f.	Log.	Min.	Comm.	Trans.	Constr.	Serv.	Trade
Jan. 1, 1932.....		91.6	83.9	68.7	105.1	98.1	85.6	104.8	114.4	125.7
Feb. 1		89.7	85.9	68.5	102.4	97.3	83.4	90.4	112.1	117.2
Mar. 1		88.7	87.0	60.6	101.1	95.2	81.9	83.3	114.7	113.6
April 1		87.5	87.3	31.1	101.0	93.9	81.9	79.9	113.9	114.3
May 1		87.5	85.8	32.5	97.9	94.1	84.3	83.2	114.7	116.2
June 1		89.1	86.0	37.9	96.8	94.1	85.5	92.9	116.8	116.1
July 1		88.7	85.4	34.2	95.0	93.1	85.9	93.3	119.9	115.4
Aug. 1		86.3	82.6	29.1	94.8	93.5	85.3	90.0	117.0	113.8
Sept. 1		86.0	83.1	26.0	96.5	92.9	86.5	84.4	119.4	113.1
Oct. 1		86.7	84.1	28.4	98.2	91.2	87.2	84.3	109.8	114.5
Nov. 1		84.7	81.7	37.9	101.2	89.6	84.5	77.9	106.5	115.4
Dec. 1		83.2	80.3	56.2	99.9	89.3	83.9	67.6	103.7	117.8
Jan. 1, 1933.....		78.5	74.4	74.5	96.9	87.5	78.3	58.5	102.2	119.6
Feb. 1		77.0	75.0	67.3	94.0	85.7	75.0	56.2	104.2	109.4
Mar. 1		76.9	75.8	57.1	94.6	85.6	74.1	56.5	102.9	107.3
April 1		76.0	76.0	35.6	91.4	84.5	74.2	54.7	102.5	107.6
May 1		77.6	76.8	35.1	89.9	83.7	78.9	60.8	99.9	108.6
June 1		80.7	80.0	40.7	91.4	83.2	79.0	67.8	106.2	109.1
July 1		84.5	83.0	49.5	93.1	84.0	80.5	78.2	111.5	111.8
Aug. 1		87.1	85.2	48.9	97.4	83.6	81.2	88.4	111.8	110.5
Sept. 1		88.5	86.8	48.3	100.4	83.8	82.5	88.4	113.8	111.8
Oct. 1		90.4	86.7	64.7	105.8	82.5	82.7	97.0	108.1	115.0
Nov. 1		91.3	86.5	110.3	109.7	81.1	81.4	94.6	107.9	115.6
Dec. 1		91.8	84.4	166.5	105.5	81.0	79.8	94.6	108.8	119.1

Relative Weight of Employment by Industries as at Dec. 1, 1933.

100.0 49.4 5.4 5.7 2.5 11.0 13.0 2.7 10.3

NOTE.—The "Relative Weight," as given just above, shows the proportion of employees in the indicated industry to the total number of all employees reported in Canada by the firms making returns for the date under review.

Index Numbers of Employment by Economic Areas

(Average Calendar Year 1926=100)

	Canada	Maritime Provinces	Quebec	Ontario	Prairie Provinces	British Columbia
Jan. 1, 1932.....	91.6	111.1	86.3	93.8	92.8	80.6
Feb. 1.....	89.7	99.9	85.9	92.7	91.3	77.5
Mar. 1.....	88.7	93.1	86.5	91.8	88.2	78.7
April 1.....	87.5	88.3	85.0	91.1	86.1	80.9
May 1.....	87.5	87.8	86.0	89.5	87.6	82.7
June 1.....	89.1	96.4	87.8	89.9	89.3	83.7
July 1.....	88.7	96.4	86.6	89.2	90.5	83.7
Aug. 1.....	86.3	90.1	84.4	86.9	90.1	81.4
Sept. 1.....	86.0	87.8	85.3	85.1	91.6	82.8
Oct. 1.....	86.7	84.9	85.8	86.1	94.6	82.1
Nov. 1.....	84.7	86.8	83.6	84.2	91.6	77.8
Dec. 1.....	83.2	83.8	82.9	84.1	86.7	73.8
Jan. 1, 1933.....	78.5	80.1	77.8	78.8	84.4	69.7
Feb. 1.....	77.0	76.5	75.7	78.9	80.4	68.0
Mar. 1.....	76.9	76.8	74.1	79.8	80.0	67.7
April 1.....	76.0	78.3	73.1	78.3	78.3	68.8
May 1.....	77.6	80.3	75.4	79.5	79.2	72.2
June 1.....	80.7	82.8	79.3	81.6	82.7	76.2
July 1.....	84.5	89.9	83.0	85.0	85.0	81.8
Aug. 1.....	87.1	93.0	84.8	86.6	90.5	87.3
Sept. 1.....	88.5	91.5	87.0	88.1	90.7	89.2
Oct. 1.....	90.4	90.9	89.1	89.6	98.7	85.6
Nov. 1.....	91.3	90.2	92.2	91.4	94.6	84.0
Dec. 1.....	91.8	93.4	92.4	93.3	89.3	85.4
Relative Weight of Employment by Economic Areas as at Dec. 1, 1933.	100.0	7.7	29.4	41.5	13.2	8.2

NOTE.—The "Relative Weight," as given just above, shows the proportion of employees in the indicated area to the total number of all employees reported in Canada by the firms making returns for the date under review.

Combines Investigations Act. No commissioners of investigation under the Act were appointed during the fiscal year ended Mar. 31, 1933. Several investigations, however, were conducted by the Registrar. One, the Canadian Basket Pool investigation, involving some 12 firms in the Niagara Peninsula had been commenced in November, 1931, but the Report was not submitted until March, 1932. The result of prosecutions against the Members of the Pool was the imposition of a fine of \$100 each upon 15 persons. Each of the accused was indicted under nine counts, five of which were laid under the Combines Investigation Act and four, under the Criminal Code, Section 498. The fifteen accused appeared on Jan. 26, 1933, before Mr. Justice Logie at the Assizes at Hamilton and pleaded guilty to three counts under the Act and two under the Criminal Code. The remaining charges were dropped by the Crown. The five counts admitted by the accused dealt with the combining to fix common prices to enhance prices and to prevent or lessen competition unreasonably and against the public interest.

British Anthracite Coal importation and distribution was investigated by the Registrar during the Winter of 1932-33. It had been alleged that the prices of British Anthracite, based on the view that the spread between the selling price at the mines in Wales and Scotland and the retail prices to consumers in Canada, was unreasonably large, indicated the existence of a combine or monopoly. The greater part of Canada's imports of this coal was being handled by four companies located at Montreal: the Canadian Import Company, Limited; the F. P. Weaver Coal Company, Limited; Hartt and Adair Coal Company, Limited; and the Scotch Anthracite Coal Company, Limited. Imports during the fiscal year, exclusive of Anthracite screenings of dust, amounted to 3,053,812 short tons of which Great Britain supplied 47.6 per cent., or 1,451,614 tons; the United States, 50.7 per cent., or 1,549,309 tons; and other countries, 1.7 per cent. or 52,889 tons. The Report of the Registrar, which was not made public, was submitted to the Federal Minister of Labour on Apr. 21, 1933, which, with the evidence, was later referred to the Attorney-General of Quebec. (See page 186). An aftermath of the case was the prosecution of the five Companies in the Province of Quebec, their

conviction on Dec. 12, 1933, and their sentence to pay fines totalling \$30,000. Appeals entered by these firms were to be heard in the Quebec Court of King's Bench.

An inquiry into an alleged combine of tobacco buyers in Ontario was completed in March, 1933, by the Registrar and a Report made to the Minister of Labour, that no contravention of the Combines Investigation Act had been found, although it was evident that the growers were at a serious disadvantage in bargaining with the buyers.

A preliminary inquiry in November, 1932, into an alleged combine of Winnipeg coal dealers and other coal producers and distributors in Western Canada resulted in the finding that no evidence had been shown of a combine within the meaning of the Act.

The Electrical Estimators Association, a combine of Toronto electrical contractors, appealed against their conviction by Mr. Justice Raney in January, 1932, following an investigation under the Combines Investigation Act. Their convictions and sentences involving 15 firms and fines totalling, \$26,200 were confirmed by the action of dismissal of the Appellate Division of the Supreme Court of Ontario in October, 1932.

Evidence obtained in an investigation in the fiscal year 1930-31 into an alleged combine of manufacturers of radio vacuum tubes was submitted with the Registrar's Report by the Minister of Labour in June, 1932, to the Attorney-General of Ontario. Upon the advice of the Crown Attorney of the County of York (Eric Armour, K.C.) to whom the Attorney-General submitted these items, it was decided not to prosecute. Prices of radio tubes throughout Canada were reduced greatly in the period following the investigation.

Other investigations conducted during the fiscal year 1932-33 (March to March) and that produced no evidence of infractions against the Combines Investigation Act were into the following alleged combines: wholesale gasoline distributors in a City in Western Canada; retail coke and coal dealers in an Ontario centre; an alleged combine amongst milk distributors in a large city in Ontario awaited the outcome of an inquiry of the House of Commons; and a large manufacturer of a fuel produced in the Province of Quebec.

Wages and Cost of Living, 1932 and 1933. During 1932 decreases in wages were visible in all groups, the downward trend being greatest in lumbering where a 13 per cent. reduction was shown. Building trades and steam railways wages were down approximately 10 per cent., electric railway wages, 6 per cent., metal trades and coal mining wages, less than 5 per cent., and printing trades, 5 per cent. Common factory labour averaged 5 per cent. lower and factory trades over 6 per cent., but some industries showed much greater decreases than others.

In 1933 wages in all groups were again downward as compared to 1932: building trades, 11 per cent.; metal trades, 3 per cent.; printing trades, 5 per cent.; electric railways, 4 per cent.; steam railways, averaging less than 5 per cent.; coal mining, less than one per cent., the average decrease in the six groups being approximately 5 per cent. Dominion factory labour was down 3 per cent., factory trades, etc., nearly 5 per cent., logging and sawmilling, 14 per cent. (See Statistical Survey Section, page 317).

The Department of Labour published in February, 1934, a Supplement to *The Labour Gazette* giving prices in Canada and other countries during 1933. It stated that the low point of the downward movement of prices took place during the first six months of 1933, followed by an upward movement to some extent. Important exceptions were Belgium, France, Italy and Poland, where the latest figures available indicated a continuance of the decline and also Japan where prices in 1933 were at a higher level than in the previous year, the low point having been reached in June, 1932. An important feature of the movement, in most countries since 1929, the Supplement stated, was the uneven nature of the decline, being greatest in the prices of farm products foods and raw materials. The advance in 1933 was pro-

nounced in these groups of commodities. The movement of index number of changes on the cost of living in Canada, based on prices in 1913 as 100, was less than for any similar period since 1929. The downward movement commencing early in 1930 was continued, with only minor interruptions in the Summer of 1931 and 1932 until June and July, 1933, when this trend was halted and some recovery in prices occurred before the end of the year. This index (taking the basis of prices in 1913 as 100) stood at 123 for December, an advance of $2\frac{1}{2}$ per cent. over the level of 120 in midsummer, "the low price in recent years". Some comparative figures for earlier dates are 125 for December, 1932; 135 for December, 1931; 151 for December, 1930; 160 for December, 1929; and 200 for June, 1920, the post-war peak. The slight advances occurring since July was most pronounced in the foods and clothing groups, though fuel and light and sundries also showed upward tendencies in the early Autumn. Rentals, however, were at their lowest point at the end of the year. The following table shows the changes in the cost of living in Canada from 1921 to 1933:

Table I.—Changes in the Cost of Living in Canada from 1921 to 1933*

(Average Prices in 1913=100)

	Food	Fuel and Light	Rent	Clothing	Sundries	All Items*
Dec. 1921.....	150	172	150	177	173	161
Dec. 1922.....	142	177	155	162	174	157
Dec. 1923.....	146	172	158	164	171	159
Dec. 1924.....	144	162	158	159	169	156
Dec. 1925.....	157	166	158	159	166	160
Dec. 1926.....	152	162	156	157	166	157
Dec. 1927.....	152	158	156	155	166	157
Dec. 1928.....	154	157	157	157	166	158
Dec. 1929.....	161	157	158	156	166	160
Mar. 1930.....	159	157	158	155	166	159
June	151	156	160	155	166	157
Sept.	141	156	160	148	165	152
Dec.	138	156	160	148	165	151
Mar. 1931.....	124	156	160	141	164	145
June	111	153	158	137	164	138
Sept.	109	151	158	127	163	136
Dec.	107	152	158	127	163	135
Mar. 1932.....	99	151	158	123	162	131
June	93	148	147	120	162	126
Sept.	95	147	147	116	161	126
Dec.	96	145	141	114	161	125
Jan. 1933.....	95	145	141	112	161	124
Feb.	91	145	141	112	160	122
Mar.	91	145	141	112	160	122
April	93	144	141	107	160	122
May	93	143	132	107	160	121
June	93	142	131	107	160	120
July	95	140	131	107	160	120
Aug.	101	140	131	107	156	122
Sept.	99	141	131	113	156	122
Oct.	99	142	131	113	157	122
Nov.	99	142	129	113	157	122
Dec.	100	142	129	113	157	123

*The figures for "all items" were calculated by giving the following weights to each group: Food, 35 per cent.; Fuel, 8 per cent.; Rent, $18\frac{1}{2}$ per cent.; Clothing, $18\frac{1}{2}$ per cent.; Sundries, 20 per cent.

Wholesale Prices. According to the index number of wholesale prices in Canada during 1933 as calculated by the Dominion Bureau of Statistics (see also Statistical Survey Section, pp. 316 and 321) there was a substantial recovery amounting to about $8\frac{1}{2}$ per cent. at the end of the year from the low point of February. Primary products showed the most pronounced recovery. All the eight main groups, except Chemicals and Allied Products, shared in the upward movement. The Vegetable and Vegetable Products group advanced from 50.8 in February to 69.8 in July, reflecting the speculative activity in grains during this period and due to the advance in the price of sugar following the application of the tax of 2 cents per pound. A fairly

heavy decline occurred in the group during the following three months but at the end of the year it was still 19 per cent. above the low at the beginning. The Animals and their Products group rose from 55.8 in February to 63.3 in December due chiefly to higher prices for live stock, meats, furs, hides and leather, and to seasonal increases in the Autumn in the price of eggs. The substantially higher prices for non-ferrous metals, notably copper, lead, zinc, silver and tin, were reflected in the movement of this group which advanced from 58.3 in February to 66.5 in December, or 14 per cent. Other groups to show important advances were the Fibres, Textiles and Textile Products group mainly because of higher prices for raw cotton, raw wool, wool yarn and cloth; and the Wood, Wood Products and Paper group because of higher prices for wood pulp and lumber. Less important advances occurred in the Iron and its Products group and the Non-Metallic Minerals group. In the grouping according to purpose consumers' goods advanced from 69 in February to 73.3 in December and producers' goods from 58.8 in January to the high point for the year of 69.8 in July and then declined to 65.1 in December. In the grouping according to origin raw and partly manufactured goods were 16 per cent. higher at the end of the year than in February, the low point, while fully and chiefly manufactured goods were up only 8 per cent.

The following table is taken from information in the monthly bulletins on *Prices and Price Indexes*:

Wholesale Prices of Certain Commodities, 1929-1933

Commodities	Unit	Dec. 1929	Dec. 1930	Dec. 1931	Dec. 1932	Dec. 1933
		\$	\$	\$	\$	\$
Oats	bush.	0.634	0.267	0.300	0.210	0.298
Wheat	bush.	1.378	0.554	0.606	0.424	0.603
Flour	bbl.	8.600	5.355	5.030	4.400	5.200
Sugar, raw	cwt.	2.000	1.350	1.364	0.943	1.186
Sugar, granulated	cwt.	5.270	4.655	4.560	4.180	6.370
Rubber, raw	lb.	0.161	0.089	0.056	0.038	0.088
Cattle, good steers	cwt.	9.630	7.360	6.040	4.100	5.090
Hogs, bacon	cwt.	11.940	10.450	4.810	3.970	6.480
Hides, beef	lb.	0.145	0.095	0.075	0.048	0.095
Sole leather	lb.	0.430	0.410	0.340	0.260	0.340
Butter, creamery	lb.	0.430	0.332	0.245	0.238	0.252
Cheese	lb.	0.280	0.250	0.180	0.180	0.160
Eggs	doz.	0.678	0.603	0.456	0.406	0.403
Cotton, raw	lb.	0.183	0.107	0.087	0.082	0.116
Cotton yarns	lb.	0.357	0.250	0.203	0.210	0.270
Gingham	lb.	1.017	0.994	0.923	0.959	0.959
Wool, raw	lb.	0.240	0.160	0.130	0.090	0.195
Pulp, groundwood	ton	29.470	27.750	23.790	19.650	22.160
Pig iron, basic	ton	21.000	18.000	18.000	18.000	18.000
Steel bars	100 lb.	2.400	2.250	2.250	2.250	2.250
Copper	cwt.	19.750	12.200	9.450	7.021	9.068
Lead	cwt.	6.500	4.930	4.268	3.386	3.903
Spelter	cwt.	6.000	4.570	4.068	3.971	4.720
Coal, anthracite	ton	13.470	13.220	13.810	13.328	12.454
Coal, Nova Scotia	ton	6.000	6.000	6.000	5.250	5.250
Gasoline	gal.	0.195	0.185	0.175	0.180	0.185

Industrial Disputes Investigation Act. The 26th Annual Report of the Registrar of Boards of Conciliation and Investigations for the fiscal year 1932-33 stated that 16 out of the 19 applications dealt with during the year related to disputes arising out of wages reductions, the proposed decreases ranging from 10 per cent. in the majority of cases to about 20 per cent. in a few instances. Applications under the terms of the Industrial Disputes Investigation Act from its inception on Mar. 22, 1907, to Mar. 31, 1933, numbered 785. Boards of Conciliation and Investigation had been established in 525 cases, leaving 260 disputes which were either settled by agencies other than those provided by the Industrial Disputes Investigation Act or in which it was found that the machinery of the Statute could not be utilized. In only 38 cases was the threatened cessation of work not averted, or the strike, already entered upon, not ended.

A conviction under the Act which had taken place shortly before the beginning of the fiscal year 1932-33 (Mar. 5) was appealed and affirmed on

Nov. 17, 1932. The case in question was the prosecution of 5 coal miners employed by the Crescent Collieries Limited, near Bienfait, Sask., for infringement of the I.D.I. Act, by going on strike prior to reference of the dispute to a Board of Conciliation and Investigation as was established under the terms of the said Act.

Strikes and Lockouts. During the year 1932, there were 23,390 workers involved in 116 strikes and lockouts, 111 of which began during the year. There was a total loss of time of 255,000 man-working days, an increase of 50,762 over 1931, when 88 disputes occurred, involving 10,738 workers. The 1932 figures were in excess of those for most of the years since 1922. There was an increase in the number and extent of strikes of coal miners in Canada during 1932; 8,540 workers were involved in 33 disputes, causing a time loss of 132,766 working days, slightly more than half of the total for the year. The more important strikes were those at Blairmore, Bellevue and Canmore in Alberta and at Little Bras d'Or in Nova Scotia, each lasting several weeks and being due to some question involving alleged discrimination in employment. Among other disputes were strikes of loggers in Northern Ontario, salmon fishermen on the Pacific Coast, men's clothing factory workers in Montreal, and fur workers in Toronto. The principal causes were decreases in wages, demands for increases in wages, the maintenance of union wages and working conditions and discharge of workers. Disputes terminated in favour of employers in 50 out of the total of 116 disputes; in favour of employees in 34 disputes; and in the nature of a compromise in 26 cases. In 3 cases the results were indefinite and in 3 others the disputes were not terminated at the end of the year. In 53 of the 113 disputes terminated settlements were effected through direct negotiations; in 22, by return of workers without negotiations; and in 22 by replacement of workers. Fifteen disputes were settled by conciliation; 9 through that of the Federal Department of Labour; 6 through that of Provincial officials; and in one dispute the method was indefinite. A comparison of figures for time loss in Canada, according to *The Labour Gazette*, and those in other countries for which data were available for 1932, showed that in proportion to population, the time loss in Canada was lowest except in Australia where it was almost the same.

Accidents in Industry. The number of fatalities from accidents to workers during the course of their employment or arising out of it as reported for 1932 was 961, as compared with 1,188, the final figure for 1931. The transportation and public utilities group had the largest percentages of the accidents; these had 191 of which 97 occurred in steam railways. There were 217 fatalities in construction, as compared with 217 in 1931, the decrease, probably being due to a falling off in construction. In agriculture there were 154 accidents in 1932, a decrease of 9; in mining, 123, as compared with 158; and in manufacturing there was a decrease from 142 to 114. The analysis by causes showed 260 under "moving trains, vehicles, etc."; 160 under "falls of persons"; 155 under "dangerous substances", *i.e.*, steam explosions, fire, gas, etc.; and 142 under "falling objects". The number of fatalities from industrial diseases was 24, with 12 resulting from infection.

Old Age Pensions. The Seventh Annual Report of Old Age Pensions Administration in Canada for the fiscal year ended Mar. 31, 1933, showed that expenditure for the system in Canada for the period was \$15,375,261, of which amount \$11,521,553 was contributed by the Dominion Government; and that the total number in receipt of pensions in Canada, as at Mar. 31, 1933, was 71,705 as compared with 67,006 pensioners on the same date of the previous year, an increase of 7 per cent. for the year. Pensioners in the individual Provinces at Mar. 31, 1933 were: Alberta, 5,244, an increase of 862; British Columbia, 7,128, an increase of 642; Manitoba, 8,280, an increase of 1,090; Ontario, 42,853, an increase of 1,553; Saskatchewan, 8,195, an increase of 552; and the North-West Territories, 5. The latter, showed no increase.

The maximum amount of pension payable was \$240 per annum subject to a reduction of the amount of a pensioner's income in excess of \$125 yearly; the Act also provided for a proportionate reduction in the event of an applicant having lived for any period of the required 20 years' residence, outside of the Province in which the application was made. No additional Province during the fiscal year 1932-33 became eligible to participate under the old age pension scheme whereby the Dominion Government paid 75 per cent. of the Provincial disbursement. The Provinces eligible at Mar. 31, 1933, were Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. Other Provinces in which legislation had been enacted but not proclaimed at this date were New Brunswick, Nova Scotia and Prince Edward Island. A majority Report of the Quebec Social Insurance Commission submitted in November, 1932, to the Provincial Government urged the inauguration of "a contributory and obligatory system of old age insurance." (See page 203).

Government Annuities Act. From the date of the inception of the Annuities Branch up to and inclusive of Mar. 31, 1933, the total number of annuity contracts issued was 16,394. Of this number, 1,994 had been cancelled, leaving in force on Mar. 31, 1933, a total of 14,400 contracts. The total amount of purchase money received during the same period was \$36,214,050. During the fiscal year ended Mar. 31, 1933, there were 573 immediate annuities and 802 deferred annuities, a total of 1,375 were contracted for, the average amount of annuity under the immediate contracts being \$346. The number of annuities in force on Mar. 31, 1933, was as follows: Immediate, 5,824; deferred, 8,576; a total of 14,400. The total amount of immediate annuities purchased was \$2,435,272, an average of \$418 per contract.

Unemployment and Farm Relief Measures during 1932-33

In the passing of a Bill in 1933 to continue in force the provisions of the Relief Act, 1932, legislation had been put through Parliament during four consecutive Sessions for the relief of unemployment. In moving to introduce the measure on Feb. 24, 1933, Hon. W. A. Gordon, Minister of Labour, in whom was vested the administration of the Act, outlined the proceedings and actions which had been taken under the various relief measures (see pp. 71-5). Under the Unemployment Relief of 1930, which came into force in September of that year, provision had been made for the inauguration of public works and the extending of direct relief to assist unemployment until August, 1931. Including Dominion, Provincial and Municipal contributions, public and other works were carried out in Canada to the extent of, approximately, \$69,000,000. Direct relief expenditures, contributed by the three authorities, totalled \$11,000,000. The public works scheme gave employment to 337,633 individuals for varying periods, the amount of work thus afforded being 7,481,449 man days.

In August, 1931, the Unemployment and Farm Relief Act, 1931, became effective and continued in operation until the first day of March, 1932, and under the provisions of The Unemployment and Farm Relief Continuance Act 1932, the operation of the 1931 Act was continued until May, 1932. Under the 1931 Act, Mr. Gordon explained, by contract with the various Provinces of the Dominion, the Federal Government agreed to contribute the sum of \$34,008,872 towards the carrying on of works by the Provinces, Municipalities and Federal Departments, the total cost of such works being approximately, \$81,000,000. When the Act expired on May 1, many works which had been undertaken thereunder, and many commitments which had been made with the Provinces and which had not been completed by that time but which, in the opinion of the Provinces, it was altogether desirable should be carried to completion, made it necessary that an extension of time should be given for this purpose, the gross costs of works thus extended being approximately, \$14,778,000. Under the 1931 Act, the expenditures for public works provided employment for 583,492 individuals to the end of December, 1932, the total wages paid being \$39,532,328, and affording a total of 13,274,436 man days'

work. The Expenditure of the Dominion Government under the 1931 Act amounted to \$11,668,783, which included \$5,288,085 to the Saskatchewan Relief Commission. Mr. Gordon described the assistance given by the Dominion Government to the Canadian National Railways and the Canadian Pacific Railway Company in order that they might maintain operations in their shops, many applications having been made to the Government for assistance on behalf of the men thrown out of work when the shops had closed down. Arrangements had been made with the C.P.R. to open their shops on Nov. 17 and to keep them open until Dec. 31, 1931, the Government lending the Company \$1,447,222, to enable the wages of these employees, who totalled 8,455, to be paid.

The Minister of Labour described the discussions with the Provincial Prime Ministers which had taken place in April, 1932, prior to the enactment of The Relief Act, 1932; of the practically unanimous suggestion of the Provinces that public works, in view of their great cost, should be discontinued as relief measures and that direct relief should be adopted instead. The consensus of opinion among the Provincial representatives was that their financial positions did not warrant a continuation of public works programmes as a means of relieving unemployment conditions. It was decided, therefore, that with the exception of completing works already commenced, the Dominion Government should contribute to the expenditures of the Provinces and the Municipalities in respect of direct relief (food, fuel, clothing, shelter, or the equivalent thereof), the normal arrangement in the case of organized municipalities being $33\frac{1}{3}$ per cent. contribution from the Dominion Government, with equal contributions from the Province and the Municipality. In the case of Municipalities being unable to contribute their share of the financial burden, that share was lessened on the recommendation of the Province and the difference equally divided between the Dominion and the Province concerned. Direct relief expenditures in unorganized territories was equally shared by the Dominion and the Province. In January, 1933, Mr. Gordon stated, the total number of people in Canada receiving relief was 1,357,562, of all classes, and for varying periods of time. This total was represented by 252,000 heads of families.

Mr. Gordon spoke of the inauguration of the Land Settlement scheme under which heads of families who had had some agricultural experience and who would, otherwise, be on relief, were given financial assistance in order that they might become self-sustaining. The amounts thus contributed were looked upon as non-recoverable. These and other details given by the Minister were later embodied in a report of unemployment relief appearing in the Annual Report of the Department of Labour for the fiscal year ended Mar. 31, 1933.

Clause 2 of The Relief Act of 1932 which received the Royal Assent on May 13, 1932 (see *The Canadian Annual Review*, 1932, pp. 54-60) gave the Governor-in-Council power to "(a) enter into agreements with any of the Provinces in respect of relief measures therein; (b) grant financial assistance to any Province by way of loan, advance, guarantee, or otherwise; (c) take all such measures as in his discretion may be deemed necessary or advisable to protect the credit and financial position of the Dominion or any Province thereof; (d) loan or advance money to, or guarantee the payment of money by any public body, corporation or undertaking". Clause 3 gave to the Governor-in-Council authority to: "(a) provide for special relief, works and undertakings, in the National Parks of Canada, and for the continuance during such period as may be necessary and advisable of the relief measures heretofore undertaken and now being carried on at the cost of Canada in the drought stricken areas of Saskatchewan by the Saskatchewan Relief Commission; (b) assist in defraying the cost of the sale and distribution of the products of field, farm, forest, sea, river and mine; (c) take all such measures as may be deemed necessary or advisable for carrying out the provision of this Act."

The following table shows the disbursements made by the Dominion under the Relief Act, 1932, as at Mar. 31, 1933:

	Relief Settlement		Projects		Other Relief including Direct Relief	Total Disbursements
	\$	cts.	\$	cts.	\$ cts.	\$ cts.
<i>Prince Edward Island</i>					13,111 91	18,440 15
Falconwood Hospital construction..			5,328 24			
<i>Nova Scotia</i>	4,900	00			297,895 52	396,123 83
Repatriation of miners.....			7,957 41			
Provincial highways.....			32,000 00			
Trans-Canada Highways.....			50,327 29			
Excess cost of N.S. coal delivered to Toronto.....			3,043 61			
<i>New Brunswick</i>					91,272 53	91,272 53
<i>Quebec</i>	1,151	30			1,939,277 29	1,940,428 59
<i>Ontario</i>					3,327,105 68	3,327,105 68
<i>Manitoba</i>	18,978	42			1,264,146 87	1,286,353 26
Roads.....			3,227 97			
<i>Saskatchewan</i>	19,589	83			177,433 60	4,816,342 72
Roads.....			6,525 55			
Saskatchewan Relief Commission...					4,612,793 74	
<i>Alberta</i>					640,673 08	649,673 08
Roads.....			9,000 00			
<i>British Columbia</i>					1,793,774 78	2,070,215 72
Board camps.....			276,440 94			
<i>Department of Interior—</i>						
Relief camps in Parks.....			633,999 32			633,999 32
Yukon Relief.....					4,000 00	4,000 00
<i>Department of Public Works—</i>						
Dykes on Assiniboine River at Winnipeg to cost of which province contributed 10 per cent.....			6,904 43			6,904 43
<i>Department of National Defence—</i>						
For relief works on the intermediate landing fields of Trans-Canada Airway, and preservation of old citadel and fortification walls at historic sites.....			292,884 34			292,884 34
<i>Department of Agriculture—</i>						
Equipping two steamers for export of cattle.....			3,000 00			3,000 00
<i>Transportation of unemployed to farms and relief camps.....</i>						7,713 86
<i>Administration</i>						67,740 91
	44,619	55	1,330,639	10	14,161,485 00	15,612,198 42

Land Settlement Relief. All the Provinces, with the exception of Prince Edward Island entered into agreements for Land Settlement with the Dominion whereby the latter provided one-third of an amount not to exceed \$600 per family, the remaining two-thirds of expenditure was to be shared by the Province and the Municipality concerned as might be mutually decided. The Dominion's contribution was to be progressively paid to each Province as expenditures were made by the Province and Municipalities. The total expenditure on behalf of any one family was not to exceed \$500 for all purposes inclusive of subsistence and establishment, a minimum amount of \$100 was to be withheld to provide subsistence if necessary, the second year. Statistics of the Settlement plan as at Mar. 31, 1933, were: Nova Scotia, placed 94 families (613 individuals); Quebec, 523 families (3,262 individuals); Ontario, 210 families (1,101 individuals); Manitoba, 190 families (866 individuals); Saskatchewan, 395 families (1,834 individuals); and Alberta, 51 families (249 individuals); a total of 1,463 families and 7,925 individuals.

Camps for Single Homeless Persons. Toward the latter part of 1932, it became necessary for Western Municipalities to seek Dominion action with regard to the thousands of transient unemployed seeking relief who were neither residents of the Municipalities or of the Province concerned. Honorary Relief Commissions were set up to look after this class of needy individual, each of the four Western Provinces entering into an agreement with the Dominion providing that each Province should establish under the management of the Commission, camps at various leading centres where

single homeless persons selected by the Provincial Relief Commission could be provided with food, fuel, clothing and shelter, and, so far as possible, employed on useful work. Provision in each agreement was also to the effect that single, homeless persons might be placed on farms or, at the discretion of the Commission, cared for by any Municipality or charitable organization. The Dominion Government agreed to pay 100 per cent. of the cost of providing food, fuel, clothing, and shelter to these persons at a cost not to exceed 40 cents *per diem*, except in the case of persons placed on farms, who would receive \$5 per month, the Province to bear any necessary cost of administration. The Dominion Government and the Province concerned each paid 50 per cent. of the cost of the transportation used in this particular system of relief; a special rate of 1½ cents a mile was arranged with the Canadian Passenger Association for transportation on railways from urban centres to relief camps where these single unemployed men did land clearing, and for the movement of relief farm help from urban centres to farms under arrangements made by Provinces, Municipalities and farmers, whereby single unemployed men were given work during the Winter. The following statement shows the amounts of advances made as at Mar. 31, 1933, by the Dominion Government to the four Provinces for the relief of this class (single homeless) of unemployed; also the amount of accounts received and approved and the balances outstanding against further accounts in course of submission:

	Total Advances	Accounts Approved	Balances to be Accounted for
	\$ cts.	\$ cts.	\$ cts.
Manitoba	215,000 00	173,720 72	41,279 28
Saskatchewan	160,000 00	.....	160,000 00
Alberta	300,000 00	38,302 39	261,697 61
British Columbia	480,000 00	423,493 52	56,506 48
	1,155,000 00	635,516 63	519,483 37

Relief Loans to Western Provinces. As a relief measure and in accordance with authority given under clause (b) of The Relief Act, 1932, the Dominion Government extended financial assistance to certain of the Provinces by way of loans or advances in connection with maturing obligations which these Provinces at the time were unable to meet. The following statement in the form of tables, as at Mar. 31, 1933, of the Dominion Department of Finance, shows the amounts lent or advanced, the purpose for which each was made and the security supplied by the Province; it also includes renewals of loans from previous years:

Province of Manitoba

Purpose for which loans or advances were made	Security taken	Amount loaned or advanced
Loans to cover Dominion's share of the cost of approved public works against which credits apply as accounts received and become approved.	1 year 5½% Treasury Bills. . . \$	500,000 00
	1 year 5½% Treasury Bills. . .	300,000 00
		\$ 800,000 00
	Less credits applied.	778,341 35
		\$ 21,658 65
Loans to be used to defray the share of the cost of approved public works payable by the province and/or to loan to municipalities moneys in order that their share may be paid.	1 year 5½% Treasury Bills. . . \$	500,000 00
	1 year 5½% Treasury Bills. . .	500,000 00
	1 year 5½% Treasury Bills. . .	300,000 00
	1 year 5½% Treasury Bills. . .	100,000 00
		1,400,000 00
Loans to meet obligations maturing in New York.	6 months 5½% Treasury Bills.	1,944,130 16
		\$ 3,365,788 81
Loans to meet treasury bills held by the Dominion Government in respect of loans made in previous year.	1 year 5½% Treasury Bills.	2,983,918 94
		\$ 6,349,707 75

Province of Saskatchewan

Purpose for which loans or advances were made	Security taken	Amount loaned or advanced
Loans for interest on Dominion Government advances.	1 year 5½% Treasury Bills. . . 1 year 5½% Treasury Bills. . . \$45,000.00 6 months 5½% Treasury Bills. . . \$148,635.61 6 months 5½% Treasury Bills. . . \$13,750.00 1 year 5½% Treasury Bills. . .	\$ 153,739 73 207,385 61 26,250 00 \$ 387,375 34 646,962 04
Loans to be used to defray share of cost of approved public works payable by the province and/or to loan to municipalities moneys in order that their share may be paid.	1 year 5½% Treasury Bills. . .	200,000 00
Loan to provide funds for payment of direct relief in the province.	1 year 5½% Treasury Bills. . .	2,000,000 00
Loan to the province of Saskatchewan for the Saskatchewan Relief Commission for relief accounts against which may be credited any further contribution by Dominion in respect of cost of relief in "A" area.	Less credits applied and to be applied (estimated)	1,750,000 00 250,000 00
Loans to meet treasury bills held by the Dominion Government in respect of loans made in previous year.	1 year 5½% Treasury Bills. . .	\$ 1,484,337 38 10,934,341 46 \$12,418,678 84

Province of British Columbia

Purpose for which loans or advances were made	Security taken	Amount loaned or advanced
Loans to be used to defray the share of cost of approved public works payable by the province and/or to loan to the municipalities moneys in order that their share may be paid, and other relief measures.	1 year 5½% Treasury Bills. . . Less credits applied	\$ 2,000,000 00 243,909 49 \$ 1,756,090 51
Loans to provide funds for the payment of direct relief in the province.	1 year 5½% Treasury Bills. . .	150,000 00
Loans covering Dominion's share of direct relief against which credits apply as accounts received and become approved.	6 months 5½% Treasury Bills. . . 6 months 5½% Treasury Bills. . . Less credits applied	250,000 00 250,000 00 500,000 00 162,081 83 337,918 17
Loan to meet obligations maturing in New York.	3 months 5½% Treasury Bills. . . Less repayments	1,732,500 00 1,169,914 50 562,585 50
Loans to meet treasury bills held by the Dominion Government in respect of loans made in previous year.	1 year 5½% Treasury Bills. . .	\$ 2,806,594 18 2,484,164 00 \$ 5,290,758 18

Province of Alberta

Purpose for which loans or advances were made	Security taken	Amount loaned or advanced
Loans to cover Dominion's share of the cost of approved public works against which credits apply as accounts received and become approved.	1 year 5½% Treasury Bills. . .	\$ 500,000 00
	Less credits applied.....	482,218 57
Loans to be used to defray the share of the cost of approved public works payable by the province and/or to loan to the municipalities moneys in order that their share may be paid.	1 year 5½% Treasury Bills. . .	500,000 00
	1 year 5½% Treasury Bills. . .	200,000 00
	1 year 5½% Treasury Bills. . .	500,000 00
		1,200,000 00
		\$ 1,217,781 43
Loans to meet treasury bills held by Dominion Government in respect of loans made in previous year.	1 year 5½% Treasury Bills. . .	4,142,000 00
		\$ 5,359,781 43

Dominion Government Relief Guarantees. Certain guarantees, under authority of Section 2 (b) and (c) of The Relief Act, 1932, were given by the Dominion Government during the year 1932-33; the Orders-in-Council setting forth the provisions of the guarantee (supplied by the Department of Finance) are as follows:

1930 WHEAT CROP—*P.C. 1576*, July 11, 1932: guaranteeing repayment of such further advances, and interest thereon, made by Canadian chartered banks to Canadian Co-operative Wheat Producers Ltd. subsequent to April 30, 1932 (on which date the powers created by the Unemployment and Farm Relief Act, 1931, expired), as may be required in order to secure the advantageous sale or disposition of the grains purchased or under the control of the said company.

1932 WHEAT CROP—*P.C. 2077*, Sept. 20, 1932: guaranteeing, subject to certain safeguarding provisions, repayment of advances, and interest thereon, made by Canadian chartered banks to marketing agencies in Manitoba, Saskatchewan and Alberta, in connection with the marketing of the 1932 crop. The agencies and the limit of credit established for each was as follows: Manitoba Wheat Pool, with its subsidiary Manitoba Pool Elevators, Limited, \$1,395,000; Saskatchewan Co-operative Wheat Producers, Limited, with its subsidiary, Saskatchewan Pool Elevators, Limited, \$15,000,000; Alberta Wheat Pool, with its subsidiary, Alberta Pool Elevators, Limited, \$9,000,000. *P.C. 508*, Mar. 20, 1933: guaranteeing, in addition to advances covered by *P.C. 2077* of Sept. 20, 1932, repayment by each of the marketing agencies referred to of advances, and interest thereon, in respect of an additional payment of 5 cents per bushel in respect of wheat delivered on the pool plan.

PROVINCE OF MANITOBA SAVINGS OFFICE—*P.C. 318*, Feb. 22, 1933: by Order-in-Council *P.C. 972*, dated Apr. 28, 1932, passed pursuant to the Unemployment and Farm Relief Continuance Act, 1932, the Government of Canada guaranteed the chartered banks doing business in Winnipeg from loss in respect of the assumption, by these banks, of all liabilities of the Province of Manitoba Savings Office. The banks received from the Province of Manitoba as security for the assumption of such liabilities, \$12,422,400 one-year 5½ per cent. treasury bills maturing Feb. 27, 1933. On the maturity of these bills the banks were willing to accept a renewal, less the sum of \$334,098 paid on principal account, provided the guarantee was continued. This the Governor-in-Council authorized under minute of Feb. 22, 1933, *P.C. 318*.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY—*P.C. 1577*, July 11, 1932; and *P.C. 213*, Feb. 6, 1933: guaranteeing repayment of advances amounting to \$15,539,000, and interest thereon, made by several Canadian chartered banks

to the Beauharnois Light, Heat and Power Co., the said advances being secured by first mortgage bonds of the Company of the aggregate amount of \$30,007,500.

GOVERNMENT OF NEWFOUNDLAND—*P.C.* 538, Mar. 22, 1933: guaranteeing repayment of a loan of \$625,000, and interest thereon, made by certain Canadian chartered banks to the Government of Newfoundland.

Labour Organization in Canada, 1932. The 22nd Annual Report on Labour Organization in Canada, for the calendar year 1932 (issued in February, 1934) was submitted to the Minister of Labour, Hon. W. A. Gordon, K.C., by the Deputy Minister, H. H. Ward, in April, 1933. The figures contained therein indicate that the industrial conditions, which had had such a detrimental effect during 1931, had continued to retard the steady advance, maintained in previous years, in the growth of the organized labour movement. For the second succeeding year, the membership of the Unions in the Dominion showed a loss, the net decrease in 1932 being 26,968. The international craft union group, consisting of the Canadian members of 78 organizations, 4 less than 1931, had 1,813 branches in the Dominion, a decrease of 71, with a combined membership of 149,129, a loss of 39,090. The One Big Union reported 47 local units in Canada, a gain of 1, with 23,340 members, a loss of 920. The Industrial Workers of the World reported 8 branches, a gain of 3, with a membership of 3,618, an increase of 152. The group of Canadian central organizations, which numbered 29, an increase of 4, had 701 branches, a gain of 22, with a combined membership of 66,993, an increase of 9,644. There were 47 independent units, 10 more than in 1931, with a combined membership of 15,496, a gain of 3,847. The National Catholic group consisted of 109 unions, a loss of 12, the membership, as given by the Federation of Catholic Workers of Canada, being 25,000, a loss of 151. According to these figures there were in Canada, therefore, at the close of 1932, a total of 2,725 trade union branches, a loss of 47, with a combined reported and estimated membership of 283,576. According to the 1931 Census, trade unionists represented 2.7 per cent. of the population; adding 99,054, the number of members comprised in the non-trade union associations, the organized wage-earners in the Dominion at the close of 1932, represented 3.6 per cent. of the population.

Of the International Craft Unions the largest membership in Canada was reported by the Canadian Brotherhood of Railway Employees (15,430), followed by the Brotherhood of Maintenance-of-Way Employees (15,312), Brotherhood of Railway Carmen of America (10,743), and Brotherhood of Railroad Trainmen (10,565). Nine other international unions had a Canadian membership exceeding 5,000. The total Canadian membership represented approximately 42 per cent. of the total membership of the International Craft Unions.

On Aug. 1, 1932, the Co-operative Commonwealth Federation was brought into existence at a meeting in Calgary, Alta., (see pp. 36-8 and Index) of delegates said to represent labour, farmer and socialist groups in five Provinces—Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Among the purposes of the new body was the establishment in the Dominion of a co-operative commonwealth in which production, distribution and exchange would be regulated to supply human needs and not for profit, and the taking over by the state of the public utilities and major industries, including, mining, pulp and paper, etc. There was to be a Dominion Council as well as a Council for each Province. The member organizations in the various Provinces would select the Provincial Council and would also be represented on the Dominion Council by one delegate from each body. An affiliation fee of \$25 would be required from each member organization and financial support would be sought through voluntary subscription. The chief provisional officers of the Federation were: President, J. S. Woodsworth, M.P., Winnipeg, Man.; Secretary, Norman F. Priestly, Edmonton, Alta.

The Trades and Labour Congress of Canada held their 48th Annual Convention in Hamilton, Ont., Sept. 12-17, 1932. The Report of the Secretary-Treasurer showed that the total membership for which *per capita* tax had been paid up to the close of their fiscal year, was 122,129, a decrease of 19,008. Total receipts, including the balance on hand, amounted to \$39,261, and expenditure, \$23,129, leaving a balance of \$16,132. There were 126 resolutions introduced at the Convention; some of those adopted dealt with: a blanket bond on all lawyers and notaries handling trust funds, the sale of beer in licensed places for beverage purposes, old age pensions and mothers' allowances for all Provinces, certain Amendments to the Workmen's Compensation Act, extension of the Mortgage Moratorium, adoption of the six-hour work day and five-day week, national control of the banking system, contributory unemployment insurance, abolition of one-man street cars, reduction of interest on all Government bonds, elimination of Section 98 of the Criminal Code, public ownership of the Canadian National Railways and Government-owned vessels, tolls on a tonnage basis through Government canals, restricted use of paint-spraying machines, regulation of motor truck and bus competition, health insurance, and investigation into coal prices. The Executive Council for 1932-33 was as follows: President, Tom Moore, Ottawa; Vice-Presidents: James Simpson, Toronto; R. J. Tallon, Calgary; P. R. Bengough, Vancouver. P. M. Draper, Ottawa, was Secretary-Treasurer.

Many of the affiliated unions of the All-Canadian Congress of Labour urged that no Convention should be held in 1932, owing to the inability of many local units to meet the expense of sending delegates. As an alternative, a Labour Representation Conference of executives of all Canadian unions was held in Ottawa on Oct. 3, 1932. The purpose of the Conference was to consider the disadvantage under which the national unions were labouring on account of the special privileges accorded United States unions in Canada by the Federal Government by means of legislative action and by the selection of so-called labour representatives from their ranks. Following the decision of the Conference to make representations to the Federal Government, an interview was arranged for Jan. 26, 1933. On this occasion the deputation read a Memorandum to the Prime Minister and Members of the Cabinet, requesting the Government to take steps to amend the Railway Act in such manner as to provide that any class, craft, or category of railway workers should be able, without risk of intimidation, to name the union which they desired to represent their interests. In this connection the Memorandum stated that the one great anomaly resulting from existing railway legislation, in conjunction with the general law concerning industrial disputes, was the facility afforded a union or a group of unions, which had once become dominant, to continue indefinitely to exercise authority without the approval of the workers upon whose suffrage it was nominally dependent. The draft of a Bill, indicating the manner in which the Railway Act might be amended, was appended. The Memorandum also recommended that the appointment of workers' delegates and advisors to International Labour Conferences should be made in conformity with Article 389 of the Treaty of Versailles and the judgment of the Permanent Court of International Justice in 1933 and that no workers' delegate or advisor should be selected without prior consultation with the All-Canadian Congress of Labour and such other organizations as were deemed qualified under the Treaty. Finally, the Government was requested to rescind the special privileges enjoyed by the United States unions with branches in Canada under the Insurance Act, the Immigration Act, and the Customs Act. In addition to the 12 central organizations affiliated with the Congress, one more than was recorded in 1931, there were 41 directly chartered unions, an increase of 10. The total reported membership at the close of 1932 was 50,356, an increase of 22,034 over 1931. The officers were: A. R. Mosher, President; Z. David and J. McKinlay, Vice-Presidents; and W. T. Burford, Secretary-Treasurer.

The Federation of Catholic Workers held their Annual Meeting at Sherbrooke, Que., on Aug. 7, 1932, with 103 delegates representing 68 bodies. The financial statement showed receipts for the fiscal year of \$8,968 and expenses, \$8,724, leaving a balance of \$243. The Convention adopted resolutions urging an inter-provincial conference in order that Canada might frame its reply to the *questionnaire* of the International Labour Conference on invalidity, old age and death insurance; a study of the question of minimum wages for men; the establishment by the Federal Government of a national economic council acting in an advisory capacity and including representatives of the Government, the basic industries, organized labour, trade, economists and the judiciary; an increase in the tariff on commercial printed matter; and numerous recommendations concerning Provincial (Quebec) affairs. Osias Filion, Montreal, was elected President for 1932-33 and René Benard, Montreal, Secretary.

IMMIGRATION AND COLONIZATION

Total of 19,782 Immigrants during 1932-33

The activities of the Department of Immigration and Colonization for the fiscal year ended Mar. 31, 1933, were very similar to those of the previous year. Immigration continued to show a marked decrease as compared with a few years before, having reached, probably, in 1932-33 the lowest level within the memory of any person living. The decreases of succeeding years, as compared with the fiscal year 1929-30, which recorded a total of 163,288 immigrants, were as follows: 1930-31, a decrease of 46 per cent. to 88,223; 1931-32, a decrease of 84 per cent. to 25,752; and 1932-33, a decrease of 88 per cent. to 19,782. During the latter year the decreased proportion of immigrant males, noticeable in the preceding year, continued; most of the immigration from Continental Europe consisted of wives and unmarried children under 18 years of age joining family heads already established in Canada. Of the total of 19,782 immigrants who entered Canada in 1932-33, 3,097 were British (made up of 1,940 English, 323 Irish, 764 Scotch, and 70 Welsh). Of the balance, 13,196 came from the United States; 840 from Northern European countries; and 2,649 from other countries. Of the Northern Europeans, 518 were German; 88, French; 55, Danish; 44, Norwegian; 37, Belgian; 33, Dutch; 30, Finnish; 17, Swedish; 17, Swiss; and 1, Icelandic. Of the balance of immigrants, 414 were Ruthenian; 364, Magyar; 360, Polish; 346, Hebrew; 255, Italian; 252, Slovak; and 115, Japanese. Of the total immigration, 5,135 were adult males; 7,053, adult females; and 7,594, children under eighteen years of age. According to occupation, the 1932-33 total was made up as follows: farming class—1,500 males, 630 females, and 917 children; labouring—428 males, 94 females, and 145 children; mechanics—855 males, 332 females, and 234 children; trades—1,110 males, 472 females, and 247 children; mining—49 males, 12 females, and 10 children; female domestic servants, 18 years and over—623, and under 18 years, 81; and other classes—1,193 males, 4,890 females, and 5,960 children.

Of the total immigration, 8,787 were destined for Ontario; 4,113 for Quebec; 1,848 for British Columbia; 1,635 for Alberta; 955 for Saskatchewan; 905 for Nova Scotia; 707 for Manitoba; 625 for New Brunswick; 196 for Prince Edward Island; 8 for the Yukon Territory; and 3 for the North-West Territories.

During the year ended Mar. 31, 1933, 17,625 Canadians who had emigrated to the United States returned. Of this number, 16,320 were Canadian-born citizens; 757, British subjects with Canadian domicile; and 548 naturalized Canadians with domicile. Of the 13,196 United States citizens emigrating to Canada during the fiscal

year ended Mar. 31, 1933, 3,384 came from the State of Michigan; 1,879 from New York; 1,416 from Massachusetts; 759 from California; 658 from Washington; 632 from Illinois; 410 from Ohio; 385 from Maine; 329 from Rhode Island; 316 from Connecticut; 311 from Pennsylvania; and the balance from the several remaining States.

Deportations for the fiscal year ended Mar. 31, 1933, numbered 7,131, as follows: British, 4,251 (made up of English, 2,269; Northern Irish, 385; Irish Free State, 141; Scotch, 1,123; Welsh, 255; Australian, 16; British West Indies, 16; East India, 1; Newfoundland, 31; New Zealand, 13; and South African, 1); Polish, 544; Finnish, 334; German, 228; Roumanian, 208; Czecho-Slovakian, 196; Hungarian, 152; Jugo-Slavian, 131; Danish, 112; and Swedish, 109. The balance comprised immigrants from other countries, a proportionate number to each. The causes of deportations were numerous: 4,916 were described as having become public charges; 762 had been convicted of a criminal offence; 74 had come under the Opium and Narcotic Drug Act; 228 were found to be insane; 10 were afflicted with epilepsy; 16 were feeble-minded; 9 were otherwise mentally defective; 213 for medical causes, including physically defective; 223 had been found guilty of misrepresentation and stealth; 29 had been previously deported; 25 for other causes; and 626 for accompanying.

The Back-to-the-Land Movement. Hon. Wesley A. Gordon, Acting Minister of Immigration and Colonization, speaking in the House of Commons on Nov. 22, 1932, expressed the opinion that any Canadian money available for immigration "should be devoted to colonization at home, until we have, by a proper corrective process, remedied, to some extent, the urban and rural complexion of our population;" this, he stated, "was to-day most disproportionate." He drew attention to the fact that "forty-five or fifty years ago" Canada's urban population was only 18 per cent.; "to-day it is almost 54 per cent. of our total population." He explained to the House the action that had been taken since 1930 in placing farmers from Canadian cities on farms, as a measure of relief, and of the co-ordination in this respect of the Canadian Pacific and Canadian National Railways with his Department. He read a letter he had written to the Presidents of the two railway companies (Mr. E. W. Beatty and Sir Henry Thornton) on Oct. 30, 1930, in which he stated that he recognized that "the conduct of immigration and colonization as a national business function must take proper cognizance of the importance of our Canadian transportation systems, particularly in view of their bearing on our whole financial and economic structure," but, he added, "It is my view that Canada is now faced with a colonization and assimilation problem of major importance within her own boundaries, and she will have little time to devote in the immediate future to the question of active solicitation looking to the entry of any substantial number of people now resident in other countries."

As a result of co-ordination of the land settlement activities of the Railways and the Government the three organizations were instrumental in settling on the land, in the period from October, 1930, to June 30, 1933, 11,696 families formerly resident in Canadian cities and other centres of population, and in placing 25,903 formerly unemployed men in farm employment. On the basis of five members to a family this represented a movement to the land of 84,383 persons—a substantial contribution to the relief of unemployment and the stabilizing of conditions. During the period from Apr. 30, 1932, to

June 30, 1933, 4,650 such families were settled and 11,335 single men placed in farm work. These families had capital of their own with which to effect their settlement; they received advice and direction but no financial aid. Publicity for the back-to-the-land movement was entrusted to a Committee composed of representatives from the Railways and the Department with the Director of Publicity (R. J. C. Stead) as Chairman. A classified advertising campaign was conducted in daily papers across Canada directing the attention of intending settlers to local sources of advice and information. A few weekly foreign-language newspapers were included in the list. Arrangements for a radio address on this subject were made and through the courtesy of co-operating radio stations and the telegraph services of the Canadian National and Canadian Pacific Railways information concerning land settlement was disseminated over a hook-up of fifteen stations. Addresses on this subject were also delivered to interested organizations upon request. An article summarizing the land settlement activities of the Department in co-operation with the Railways, and the relief settlement activities which developed therefrom, was supplied to the Press and was printed in many leading Canadian publications. That this movement attracted attention outside of Canada was evidenced by the fact that information concerning it was requested by and supplied to officials of a number of States of the neighbouring country.

In the course of settlement activities; it was the experience of the Department, the Provinces and the Railways that there were many families in urban centres with previous farm experience but absolutely without personal funds, desirous of settling on land where they would have an opportunity of self-dependence. Having regard to this situation, the Dominion Government, early in May, 1932, offered to all Provinces the Relief Settlement Plan whereby public moneys that would otherwise be spent in the form of direct relief to maintain families in comparative idleness in urban centres would be applied to assist selected families to settle on land where they could contribute to their own maintenance and eventually become self-supporting; it was recognized, of course, that it was essentially subsistence farming—primarily an unemployment relief measure, not a colonization scheme. It was anticipated, however, that the plan would be so administered by the respective Provinces that a reasonable measure of permanent settlement would result. (See Section: Labour and Unemployment Relief).

Soldier Settlement of Canada. During the 1932-33 Session of Parliament, an Amendment to the Soldier Settlement Act, providing for a number of concessions to settlers under the Department, was passed; these were designed to enable settlers to overtake their heavy burden of interest-bearing arrears, to give them a new incentive and more reasonable hope of acquiring ownership of their farms by paying for them through their own efforts. There were three main concessions. (1) Interest charges for the year immediately preceding the standard date of payment, 1932, were totally remitted. (2) Settlers whose contracts were made prior to Jan. 1, 1933, and who made payments on arrears or instalments falling due between Apr. 1, 1933, and Mar. 31, 1937, would have their accounts credited with an additional dollar for each dollar so paid, provided such payments were made prior to Mar. 31, 1936. Moneys received from the sale of Departmental security or from fire insurance were excluded. Taxes and insurance premiums falling due within the year were required to be paid or satisfactorily provided for before the settler would become entitled to the "dollar for dollar" bonus. Under this concession a settler could retire the full amount of instalments and arrears due in the period stated by payment of half the sum normally required. (3) The lien on equipment purchased by the Department for soldier settlers was removed as was the case with regard to live stock in 1930, thus enabling the settler to trade in or otherwise dispose of his equipment to the advantage of his farming operations.

On Mar. 31, 1933, there were 22,816 farm units under administration made up of: soldier settlers, 11,481; civilian settlers, 5,466; British families (in-

cluding New Brunswick Family Scheme), 2,251; and unsold farms on hand, 3,618. The public investment as at Mar. 31, 1933, was \$63,251,962. There had been repaid to the public treasury from all sources \$51,146,520. Loans to the number of 2,389 had been repaid in cash.

Colonization Activities of the C.N.R. and the C.P.R. Canada's two great railways, in addition to their co-operative activities with the Dominion Government in furthering the back-to-the-land movement, carried on during 1932, to a very limited extent, their own individual work. The Canadian National Railways Departments of Colonization and Agriculture were responsible for settling 2,169 families, involving 312,541 acres of land during the year. Farm employment was found also for 53 families and 1,918 single men. Their French-Canadian repatriation movement was continued, 412 families, comprising 1,944 souls, having been brought back to Canada with capital and effects amounting to \$570,732. United States citizens recruited and forwarded through the C.N.R. Land Settlement Office at St. Paul, Minn., totalled 620 of which number a record was available of 108 families as having been settled on 23,912 acres, valued at \$260,759. The Canadian National Railways Community Progress competitions, for the third year, were continued during 1932 in the three Prairie Provinces, there being 42 entries for the period. General agricultural activities were devoted to increasing freight traffic to and from farms; as an example, from 1928 to 1932, the use of agricultural limestone had been increased from 140 carloads to approximately 650.

The Canada Colonization Association, with headquarters at Winnipeg, a subsidiary of the C.P.R. Department of Immigration and Colonization, specializing in the settlement of fully or partially improved privately-owned lands, placed 598 families on 89,599 acres during 1932. Since the Association had come under the administration of the Canadian Pacific Railway in 1925, families to the number of 5,222 had been settled on 1,141,394 acres. The associated organizations, the Colonization Finance Corporation of Canada, Limited, interested in farm management services in Western Canada, and the British Reunion Association, another subsidiary of the Railway, which was formed in 1929 to assist relatives to rejoin their kin in Canada, continued their useful work during the year. The Department continued its monthly review, *Agricultural and Industrial Progress in Canada*, though with a reduced circulation, during 1932. The Bureau of Canadian Information at Montreal, with branches in the United States and Great Britain, was in operation on a lesser scale; the distribution of motion pictures on Canadian agricultural and industrial subjects, and exhibitions, illustrative of Canada's natural resources and economic life, were continued to the extent of meeting existing demands.

RELATIONS WITH THE EMPIRE

The Ottawa Agreements and the United Kingdom

Approval of the Inter-Empire Trade Agreements, executed at the conclusion of the Imperial Economic Conference at Ottawa on Aug. 20, 1932, was given a few months later by each of the Parliaments concerned. Eleven Treaties had been signed by the following countries: the United Kingdom and Australia; the United Kingdom and the Union of South Africa; the United Kingdom and India; the United Kingdom and Newfoundland; the United Kingdom and Southern Rhodesia; the United Kingdom and Canada; Canada and the Irish Free State; Canada and the Union of South Africa; Canada and Southern Rhodesia; the Union of South Africa and the Irish Free State. There had also been an exchange of letters between New Zealand and the Union of South Africa. In Canada, Parliament met on Oct. 6, 1932, and on Nov. 25 four Acts ratifying the Agreements were assented to. (For passage of legislation in the Canadian Parliament, see pp. 43-53; for further data of all four arrangements, see pp. 409-10; and for proceedings of the Imperial Economic Conference, see *The Canadian Annual Review*, 1932, pp. 319-26).

There were certain features common to all eleven Treaties. They were to remain in force, in the case of Canada, Australia, New Zealand, South Africa, Newfoundland and Southern Rhodesia, for five years, after which they were subject to six months' notice of denunciation by either party; the Agreement of the United Kingdom with India had no fixed period of duration but was to remain in force until after the expiration of six months' notice on either side. In all Agreements the Government of the United Kingdom undertook to ensure the continuance, after Nov. 15, 1932, of free entry into the United Kingdom of goods grown, produced or manufactured in any of the Dominions concerned and in India and Southern Rhodesia, subject to the reservation that the United Kingdom Government had the right to review, after three years, the basis of preference so far as eggs, poultry, butter, cheese, and other milk produce were concerned.

The concessions granted by Canada to the United Kingdom comprised 262 tariff items, of which some 37 were existing items in which the amendments were purely technical, and on 223 of which the British preference was materially increased. The latter were classified as follows: reduction of the British preferential rate only, 81; increase in the intermediate or general rate, or both, 89; reduction in the British preferential rate, accompanied by increases in the intermediate or general rate, or both, 49; reduction in all rates, 2;

increase in all rates, 1; and reduction in British preferential and intermediate rates, 1. The most important concessions were those affecting the following commodities: iron and steel, a material widening of preferences on some primary forms and free entry to others, also free entry to automobiles, motor trucks and motor cycles; textiles, reduction by one-third of specific duties on cotton goods, except velveteens,—piece cottons were made free of duty, while a wider preference was given mercerized cotton yarns and other cotton products—and reduction of woollen goods by one-quarter, with a few exceptions; leather, chemicals, glass, vegetable oils and other miscellaneous articles, also wider preferences. Canada acceded to the general principles that only economic industries would be afforded tariff protection against the United Kingdom; that such tariffs would not exceed such a level as would allow the United Kingdom reasonable competition; and, agreeing to constitute the Tariff Board (see *The Canadian Annual Review*, 1932, p. 323), she consented to abolish existing surcharges on United Kingdom imports as soon as the finances of the country allowed, and to consider the possibility of reducing and of ultimately abolishing the exchange dumping duty on imports from the United Kingdom. Both Canada and the United Kingdom adhered to the principle of preventive action against "dumping" (Article 21). By this same Agreement Canada granted new or additional preferences on certain Colonial products, in return for which the British non-self-governing Colonies and Protectorates were invited by the United Kingdom to give Canada preferences accorded to other parts of the Empire (with one or two exceptions).

United Kingdom concessions to Canada, briefly, included: the continuance, after Nov. 15, 1932, of free entry into the United Kingdom of Canadian products under the Imports Duties Act, 1932 (see *The Canadian Annual Review*, 1932, pp. 342-43) with the three-year reservation clause (see preceding page) as to eggs, poultry, butter, cheese, etc.; preferences obtained by the imposition by the United Kingdom of duties on foreign goods—2s. per quarter on wheat in grain, 2d. per lb. on unwrought copper, and other duties on eggs in shell, condensed milk, cheese, apples raw (excluding those for use in cider making), pears raw, apples canned and dried fruits. In addition, the general *ad valorem* duty imposed by the United Kingdom under the Imports Duties Act on the following foreign goods was not to be reduced without Canada's consent: timber of all kinds imported in substantial quantities from Canada, so far as then dutiable; fresh sea fish; canned salmon and other canned fish; asbestos; zinc and lead. The duty on wheat, copper, zinc or lead was liable to removal if Empire producers were unable or unwilling to offer these commodities at prices not exceeding world prices and in quantities sufficient to supply requirements. By legislation to be introduced into the Parliament of the United Kingdom, quantitative restriction of bacon and hams was to contain a provision for free entry of such Canadian products up to 2,500,000 cwt. maximum p.a.; and for the existing preference on tobacco for ten years subject to

certain conditions. Implementation of the Agreement between the United Kingdom and Canada involved several incidental measures on the part of the former country. On Oct. 17, in accordance with the principle acknowledged in Article 21, the British Government gave notice of denunciation of their temporary commercial Agreement with the Government of the Union of Socialist Soviet Republics, which, signed at London, Apr. 16, 1930, had assured to Soviet trade most-favoured-nation treatment. A Treasury Order (Jan. 17, 1933) brought into operation Section 8 of Article 5, which allowed the importation from Canada of any class of cattle. An order of the Board of Trade, becoming effective Apr. 1, required that certain goods should contain at least 50 per cent. of Empire material and labour in order to be eligible for the British preference.

The Resignation of Liberal Ministers and Lord Snowden.

In England, the resignations of two Liberal Members of the Cabinet and Lord Snowden (National Labour), Lord Privy Seal, were tendered the Prime Minister (Rt. Hon. Ramsay MacDonald) shortly after the announcement of the terms of the Conference Agreements. A week previous, the National Liberal Federation had passed a resolution at an Executive meeting, condemning the trade arrangement as embodying "dangerous and vicious" principles; as being a hindrance rather than a help to the recovery of trade; as involving a surrender of the rights of the British Parliament; as limiting the power of the United Kingdom to negotiate freer conditions of trade with other countries; as raising the price of essential foodstuffs; as nullifying the value of Dominion "concessions" by accepting the "vicious principle that the prices of British exports in the Dominions should be raised by tariffs to the same level as those of Dominion goods," which principles, it was claimed, if generally applied, would be an impediment to exports to the Dominions and to all international trade and were likely to strain Empire relationships "by their ambiguous phrasing and by the bargaining spirit which they embodied."

The letter of Liberal resignations to the Prime Minister, dated Sept. 28, 1932, was signed not only by the two Members of the Cabinet, Sir Herbert Samuel (Secretary of State for Home Affairs) and Sir Archibald Sinclair (Secretary of State for Scotland) but also by other Liberal Ministers, Lord Lothian (Under-Secretary of State for India), Sir Robert Hamilton (Under-Secretary of State for the Colonies), Isaac Foot (Parliamentary Secretary to the Mines Department), H. Graham White (Assistant Postmaster-General), Walter Rea (Comptroller of the Household), Sir MacKenzie Wood (Assistant Whip) and Harcourt Johnstone (Assistant Whip). The Letter of the Ministers stated that their reasons for resigning were based upon objections to the adoption by the Government of the policy of protection as exemplified in the Ottawa Agreements. They stated that the National Government, formed to meet a financial emergency, had completed their work; therefore, the need for co-operation was over. They claimed that the next task of the Government should have been to strive for the loosening of commercial restrictions; instead of doing this, the Government, they claimed, had built up "an immense and intricate system of similar restrictions, intended to be lasting." To this they attributed the fall in exports, the laying-up of shipping, and the increase in unemployment since the suspension of the Gold Standard. The signatories reviewed the intention of the Cabinet Ministers to withdraw from the National Government in January of that year, when protective measures (The Imports Duty Act) were in question, and their final consent to remain, upon accepting the "unprecedented proposal" that they would be free of responsibility and at liberty to oppose them. The Agreements at Ottawa, they stated, "presented a fresh situation." They described them as being based on a policy of "hard bargaining" which was not-

conducive to unity and harmony in the Empire and was "most dangerous to the whole future of the Commonwealth"; as being unconstitutional, as Parliament could not "properly enact" that the United Kingdom would not reduce certain duties on articles imported from foreign countries during a term of years without the consent of the Governments of the Dominions; as precluding expansion of trade with foreign countries or agreement on the ultimate raising of trade restrictions, as a possibility of the World Economic Conference. They claimed that concessions to be made by the Dominions and India, though of some benefit, were not sufficient to lower the number of unemployed, were problematical and were likely to benefit neither the export cotton trade nor agriculture; that no reference was made to the question of migration within the Empire; that the restrictions on foodstuffs and raw materials would ultimately raise the cost of living and the cost of production, cause a lessening of exports, greater unemployment and increased social discontent and unrest, and that if the existing Agreement with Russia, after its necessary termination, could not be replaced by one more satisfactory, a further blow would be struck at the United Kingdom export trade and unemployment, increased. "We regard the Agreements, taken as a whole, as a danger to the best interest of the Empire, a derogation from the powers of Parliament, a barrier to removing the restrictions on the world's trade, a burden upon the British people, and a probable cause of increased unemployment and social unrest." The resigning Ministers reminded the Prime Minister that they had suggested postponing the projected legislation until it could be reviewed in the light of the World Economic Conference conclusions and that this proposal had been rejected. Nevertheless, they assured the Government of their assistance in carrying out other policies—those in regard to Indian affairs, the fulfilment of the Covenant of the League of Nations and the Pact of Paris, and the promotion of international disarmament; they promised, also, a declaration of constructive measures by their Party in due course.

Viscount Snowden, in his letter, offering his resignation as a "free trade" Member of the Cabinet, expressed similar views, claiming that the Conference had "placed free traders in an invidious position." The British delegation had gone to Ottawa, he said, "with the declared intent of increasing inter-Imperial trade and securing a general lowering of world tariffs," but they had returned "after weeks of acrimonious disputes and sordid struggles with vested interests, with agreements wrenched from them to avert a collapse of the Conference and an exposure to the world of the hollowness of the talk of Imperial sentiment in economic affairs." The Agreements, he added, "have surrendered our fiscal autonomy, and handed over to the Dominions the control of British trade policy, reducing this country below the status of a Dominion." His loyalty to the Government, Viscount Snowden continued, had been strained to breaking point and, he added, "it is not the free-traders, but the Tories who have broken the unity of the National Government, by pressing their own policy, for which they had no mandate." The tariff and Imperialistic policies which the Tories were carrying through, were, he was convinced, more dangerous than the crisis of the year before, which had been only temporary. He concluded with the remark that he had no party allegiance, but hoped to serve "in an independent political position" the causes in which he believed, and his country.

Lord Lothian, in a statement expressing his regret at being obliged to resign, declared his complete agreement with the policy of the Government on Indian Affairs, and his support. A similar promise of support was contained in a letter issued to the Press on the same day (Sept. 28) by three Liberal peers, Lord Crewe, Lord Reading and Viscount Grey of Falloden. They approved the retirement of Sir Herbert Samuel and of his free-trade colleagues "as being inevitable and the only honourable course open to them." They distinguished between tariffs for revenue or an emergency, and the fact that the Government was then "committed to an enduring policy of tariffs, which cannot by their nature be used to bargain for foreign tariffs and which must be further obstacles to that freer world trade to which we were assured

that the Ottawa Conference would be a preamble." They argued, however, that to overthrow the Government, the formation of which had been justified by its success in averting national financial collapse, would bring greater misery "than even a mistaken fiscal policy can do."

In a statement issued over his name and those of Rt. Hon. J. H. Thomas, Secretary of State for the Dominions, and Lord Sankey, both National Labourites, the Prime Minister declared that the work of the National Government was not yet finished, and that "purely party considerations would weaken our national influence in the world and would be a blow at the movements now at work towards world recovery." Similar sentiments were expressed by Rt. Hon. Stanley Baldwin at the Blackpool Conference of the National Union of Conservative and Unionist Associations on Oct. 7, as he argued for the necessity of the National Government, and assailed loyalty to free trade as "the sticking to the carcass of dead policies." "I do wish," he added, "that that narrow, pedantic school would give up once and for all, worshipping free trade as a principle both immaculate and immutable, for no economic doctrine is either, or can be." In support of the constitutionality of the Ottawa Agreements, he expressed his belief in the power of the Parliament only to ratify or reject agreements already made; and, "it is familiar and fundamental constitutional law that one Parliament cannot fetter or diminish the powers of a future Parliament," as an illustration of which he mentioned various Acts subsequently repealed or altered by Parliament, and a Treaty with Japan made by a Liberal Government in 1911, to last ten years.

On the day of ministerial resignations, new appointments were made: of Lieut.-Col. the Rt. Hon. Sir John Gilmour (Conservative), as Secretary of State for Home Affairs; Major the Rt. Hon. Walter Elliot (Conservative), as Minister of Agriculture and Fisheries; and Sir Godfrey Collins (Liberal-National), as Secretary of State for Scotland. Rt. Hon. Stanley Baldwin, Lord President of the Council, was appointed Lord Privy Seal, and the next day, Leslie Hore-Belisha (Liberal-National) was appointed Financial Secretary to the Treasury; in addition, minor appointments were made on that day and a few days later, of which five were Liberal-National, five Conservatives and one National-Labour. The Cabinet, as then constituted, consisted of 19 members—13 Conservative Ministers (previously 11), 3 National Labourites and 3 National Liberals (previously 4 of each).

The Ottawa Agreements Bill. At the resumed Session from Oct. 18 to Nov. 17, 1932, Parliament ratified the several United Kingdom Agreements entered into with other countries of the Empire at the Imperial Economic Conference at Ottawa during the four weeks' Summer Recess. The Debate in Committee of Ways and Means on the Financial Resolutions on which the Ottawa Agreements Bill was founded continued on Oct. 18, 19, and 20. Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer, in introducing the Motion, pointed out that the Agreements, in bringing new strength, new security and new unity to the British Empire, would, in turn, bring prosperity to the world. Significant features of the new arrangements were enumerated by Mr. Chamberlain: India's recognition for the first time of the principle of Imperial preference; the adoption by Canada and Australia of three new principles (a) non-protection of uneconomic industries; (b) adjustment of existing tariffs and adoption of new ones in order to give the British manufacturer a fair competitive chance with the Dominion manufacturer; (c) the setting up of a Tariff Board before which British interests might present their cases. Mr. Chamberlain referred to the Conference Resolution providing that commercial relations with foreign countries should not be allowed to interfere with Imperial preferences and towards that end, he said, the Government of the United Kingdom had denounced their Trade Agreement with Russia; and the South African Union, theirs with Germany. The whole of the Colonial Empire had for the first time been brought into the negotiations. The Conference had set up a Committee, non-permanent, "to consider the means of facilitating economic consultation and co-operation between the several Governments of the Commonwealth and an examination

of what alterations or modifications in any of the existing machinery for co-operation are desirable." Hence apart from the immediate advantage of the Agreements to the United Kingdom their general trend was to the lowering of tariffs and the furthering of mutual co-operation in trade. Although it was recognized that the results of the Agreements would necessarily operate more rapidly in the Dominions, the value of the preference obtained by Great Britain would grow as the purchasing power of the Dominions increased. Analysing the Agreements in detail, Mr. Chamberlain discussed the practical advantages they would bring to the United Kingdom. The concessions made by the latter with regard to wheat, butter, cheese, eggs or fruit, as the price of selling her manufactures in the Dominions markets, would, in the future, bring perhaps, even greater benefits to agriculture than to the industrial community. The meat arrangement, Mr. Chamberlain said, consisted of a temporary programme to last 18 months for the three Dominions interested—Australia, New Zealand, and the Argentine. The provisions, were: (1) a progressive reduction during that period in the imports of foreign mutton and lamb into the United Kingdom; (2) a decline in the importation of chilled beef which was not to exceed the figure of the year ended June, 1932 (when such imports had been only 93 per cent. of the average of the 5 preceding years); (3) a standstill on the importation of Dominion mutton and lamb, and only a moderate increase in the importation of Dominion frozen beef. It was hoped that this experiment would cause a rise in wholesale prices, which, if successful, might prove a useful object lesson in dealing with commodities sold in world markets. Continuing, Mr. Chamberlain explained that improvements in the preferential tariffs in Canada against the United Kingdom amounted to a decrease in duties for over 40 per cent. of imports from the United Kingdom, and to free entrance for goods worth, in 1931, over \$8,000,000. In Australia, increased preference had been granted to all goods which were not competitive as between Australian manufacturers and British manufacturers. In New Zealand existing duties upon British imports had been reduced by from 5 to 12½ per cent.; in South Africa an increased preference had been obtained on goods, the imports of which in 1931 were valued at over £6,000,000. The preference in India covered goods worth, in 1931, nearly £29,000,000.

Rt. Hon. G. Lansbury (Lab.), Leader of the Opposition, in his reply declared that although the Labour Party also desired closer trade relations with the Dominions, they preferred to obtain them by a different method. He criticized the Agreements on the ground that the Dominions had driven a hard bargain with the United Kingdom while the latter had gained nothing. He declared that considerable disagreement with the proposals were being expressed in the Parliaments of Canada and Australia, especially by the Leaders of the Opposition. He pointed out that no proof had been given that employment would be increased. He claimed that the migration question had been shelved. The Indian representatives at the Conference, he stated, had not even represented the business people of their country; and although the Governments of the Colonies had been consulted, the people had not. Canada, he added, apparently wanted the advantage of the markets without Russian competition; hence, trade had been merely shifted, not expanded, and he was certain that these proposals would hinder international co-operation in the World Economic Conference. Criticism by dissentient Liberals followed the lines of the arguments previously adduced for their resignation. Sir Herbert Samuel claimed that the Agreements meant fresh taxes, duties and restrictions, and that the lowering of inter-Imperial barriers was exceeded in scope by higher extra-Imperial barriers; the Colonial Empire was, for the first time, to be a preserve for British manufacturers. Declaring the Agreements unconstitutional, he suggested that a six months' notice of denunciation (within the five years' term) provision, already contained in the Indian Treaty, be inserted in the Dominion Agreements. The requiring of the Dominions' assent before the United Kingdom could repeal certain taxes, the obstacle to the World Economic Conference constituted by permanent tariffs, and increased unemployment were other aspects of the pacts to which he took

exception. Sir Archibald Sinclair (Liberal), said in addition, that the Agreements were no bonds of Empire, but apples of discord; their five-year duration had been repudiated by the Labour and Liberal Parties in Great Britain, by the official Opposition in Australia and roundly condemned by the Liberal and Labour Parties in Canada; it was a mischievous innovation which should be amended. Disagreement on these and similar grounds was expressed by other Labour and Liberal Members.

In refuting some of the charges, the Prime Minister, Rt. Hon. J. Ramsay MacDonald, instanced the German Commercial Treaty which had been made for five years, and declared that an agreement made for a short period would be useless. Unemployment, he said, was common to both free trade and tariff countries. He argued that failure at Ottawa, not its success, would have made the International Conference impossible. The Secretary of State for Foreign Affairs (Rt. Hon. Sir John Simon) quoted the Foreign Office and the Board of Trade in support of the validity of long-term commercial treaties. Since the advent of the Import Duties Act and again since the appearance of the Ottawa Agreements, different countries had been seeking to negotiate through the Foreign Office; and, although they were partially handicapped, yet, as was shown by the failure of certain attempts to obtain a tariff truce in the last Labour Government, free trade was also a handicap. Summarizing the results of the Agreements, he pointed out that the continuation after Nov. 15 of free entry of Empire produce—which until then was provided for by the Import Duties Act—and of other articles, would mean that about one-third of total imports of the United Kingdom would come in free from customs duty. On about 20 foreign products, the United Kingdom was to impose a slightly higher tariff by about 5 per cent. On others, the 10 per cent. *ad valorem* duty imposed under the Act was to be maintained. On the whole, the value of foreign imports subject to duty would be increased by £36,000,000, from the total of £350,000,000 subject under the Import Duties Act. The United Kingdom would gain, in return, by increased preferences accorded by the Dominions, either by the removal of duties, or their reduction, or the imposition of increased duties; and by the removal of prohibitions, surtaxes and primage duties. The value of the preferences obtained by the United Kingdom was further emphasized by Rt. Hon. L. S. Amery (Unionist). He believed that the Agreements marked the beginning of greater advantages to Great Britain; preferences were given by her with the object of strengthening her best market—the Dominions—and of increasing their population. Co-operation was to the benefit of all; therefore, they should even go beyond the Agreements and add to their Empire preferences. Mr. Amery approved quantitative restriction of meat imports for the time being, but suggested that if duties were sufficiently raised on foreign meat imports, restriction could be easily effected. Empire monetary policy, he felt, should have been settled at Ottawa; it could then have been more effectively discussed at the International Conference.

The Lord President of the Council (Rt. Hon. Stanley Baldwin) made clear the Government's position with regard to Russian trade. Apart from the necessity of denunciation on account of the "dumping article" in the Canada-United Kingdom Agreement, it was to the advantage of the United Kingdom to revise their Treaty with Russia; and they had notified the Russian Government that they were willing to make a new Agreement. Had Ottawa failed, he added, Canada might have become completely sealed up against British trade, and, possibly, against emigration from Great Britain. It was obvious that nothing could be done at that time about migration. It could only be increased through added prosperity in the Dominions and the restored purchasing power of their great agricultural communities. Discussing Tariff Boards, Mr. Baldwin said that these, as provided for in the Agreements, were a new experiment in the Dominions in which they were being tried; and that the good faith of the Dominions should be trusted to carry them out.

The first Resolution was carried, on a division, by 451 votes against 84; and the subsequent Resolutions by similar majorities. On Oct. 21 and 24

they were discussed in the Report stage, and on the latter day the Bill, based on the Resolutions, was formally introduced; on Oct. 26 and 27, it was debated on the Order for Second Reading. During the debate the Secretary of State for Dominion Affairs (Rt. Hon. J. H. Thomas) particularly set forth the advantages of the Agreement with Canada for the steel industry, of which representatives of the industry had expressed their unanimous approval. The miners were benefited also, as there was a minimum of $2\frac{1}{2}$ tons of coal in every ton of steel produced. The value of the Agreements, he insisted, should be judged on a long-range policy. The good faith of the Dominions was being further proven by the fact that the customs method of evaluation was being dealt with by the Canadian Government by the introduction of a Valuation of Goods Bill. He mentioned the bearing of migration on unemployment; from 1919 to 1931 no fewer than 1,346,000 persons had migrated to the Dominions and in 1931 more returned to the United Kingdom than left. The Secretary of State for the Colonies (Sir P. Cunliffe-Lister) suggested that the Colonies had reason to be satisfied with the results obtained; preferences hitherto received by them only from the United Kingdom, Canada and New Zealand were now to be granted also by Australia, the Union of South Africa, Newfoundland, India and Southern Rhodesia. The export trade of the United Kingdom to the Colonies was becoming increasingly valuable, having risen from only $6\frac{1}{2}$ per cent. of the total in 1924 to 11 per cent. in the first half of 1932. The President of the Board of Trade (Rt. Hon. W. Runciman) estimated the position of Great Britain as a market in the Empire; she was, he said, a centre of finance and a world force, the most important and vital part of the Empire. The export trade of the United Kingdom depended on the restoration of the purchasing power of wide areas of the world; preferences given in Great Britain aimed at achieving this for the Dominions, while those given in the Dominions aimed at stimulating British competitive power.

The Bill was discussed in Committee of the whole House of Commons on Oct. 28 and 31, Nov. 1 and 2. No Amendments were passed, and those moved were negatived by large majorities: one, to omit the 2s. per quarter duty on imported grain from foreign countries, by 200 votes against 51; another, during the debate on Article 21, to the effect that "state action" on the dumping of foreign goods should not include economies effected in production by reason of the elimination of rent, interest or capital or other overhead charges, was negatived by 323 against 40. The Bill passed third reading Nov. 3, an Opposition Amendment for its rejection having been negatived by 416 votes to 68. In the Lords it passed third reading on Nov. 15, a Motion to reject it on the ground of its uselessness to agriculture, having previously been negatived by 139 votes to 34. The Royal Assent was received the same day, and new duties set out in the Act became effective, replacing those of the Import Duties Act, March, 1931. A Treasury Order was immediately issued, including general Empire preferences and special tariffs imposed under the same Act, which would have expired had not the Ottawa Agreements become law; another Order made the latter Agreements effective.

Imperial Committee on Economic Consultation and Co-operation, 1933. The Report of this Committee, which had been formed as a result of a Resolution of the Imperial Conference at Ottawa (1932), was published on June 7, 1933, the Committee having sat in London from Feb. 14 to Apr. 1 of that year. The duty of the Committee, which consisted of representatives of each of the Governments participating in the Conference, was "to consider the means of facilitating economic consultation and co-operation" between the Governments of the Commonwealth, including a survey of certain agencies and an examination of alterations desirable (if any) in the existing machinery for such co-operation. The list of main agencies examined numbered eleven. The principal recommendations of the Committee, as contained in their Report, were under three headings: (1) scientific information services and research activities; (2) economic intelligence and inquiry; and (3) general recommendations in regard to the organization of agencies for inter-Imperial consultation and co-operation. In

Section (1) it was recommended that the Executive Council of the Imperial Agricultural Bureaux should be entrusted with the supervision of the administration and financial control of the eight Imperial Agricultural Bureaux, and of the Imperial Institute of Entomology and the Imperial Mycological Institute, and with the supervision of future co-operative research activities in the United Kingdom. It was also recommended that the consideration of what research activities should in future be carried out co-operatively should be entrusted to a conference of representatives of the research organizations and the several Governments, to be summoned as soon as possible; if a delay were necessary, the Executive Council of the Imperial Agricultural Bureau should be invited to submit a Report on the subject to the conference or to the Governments; the initiation of additional proposals for co-operative action in scientific research should be also within the competence of the Executive Council. Under Section (2) it was recommended: that the Imperial Economic Committee should continue, undertaking, besides its own functions, certain services then pertaining to the Empire Marketing Board, and having the power to submit proposals covering the conducting of other co-operative economic services; that the Imperial Shipping Committee should continue as a separate inter-Imperial organization; and that, as from Oct. 1, 1933, the cost of the services conducted by the Imperial Economic Committee and the Imperial Shipping Committee and certain additional costs of the Executive Council should be met out of a fund of £24,000, to which the Governments should contribute for three years as from Oct. 1, 1933, as follows (on the basis of general inter-Empire trade export statistics, agricultural production, and benefits likely to be received):

	Units of contribution	Contri- bution
United Kingdom and the Colonial Empire.....	35	£ 8,400
Canada	16	3,840
Australia	14	3,360
India	12	2,880
Union of South Africa	8	1,920
New Zealand	8	1,920
Irish Free State	4	960
Southern Rhodesia	2	480
Newfoundland	1	240

Under Section (3) the following principles with regard to the organization of the agencies were enumerated: recognition of the complete constitutional equality of the participating Governments; the issuing of the formal instrument, appointing members, by each Government concerned; adequate financial provision, sufficient and certain for a definite period; careful and periodical examination of the various institutions at Empire Conferences suitable for the purpose; managing bodies not to be subject to financial control by any one Government, but, over and above regular scrutiny by a suitably constituted finance committee, free to take advantage of their experience; each agency should approach the participating Governments directly through the appropriate channel; and, as a general rule, (admitting exceptions) Imperial organizations should serve only those members of their Commonwealth that subscribe to their funds or pay for such services on a fee basis.

Finances of the United Kingdom. An event of unusual importance to the financial situation of the United Kingdom and significant of the patriotism and confidence of the people of the country, was the unprecedentedly large War Loan Conversion which took place at the beginning of the period, 1932-33. Announced by the Chancellor of the Exchequer, Rt. Hon. Neville Chamberlain, on June 30, 1932, in the House of Commons, the rate of interest on a block of over £2,000,000,000 of War Loan was to be converted from five per cent. to three and a half per cent., the Government to have the right to redeem the loan after 20 years. The five per cent. Loan was to be redeemed on Dec. 1, when a final half-yearly dividend would be paid. All holders who gave due notification of their willingness to continue at the lower rate, were made the recipient of a cash bonus of 1 per cent. which was exempt from income tax. The new stock would not be accepted in pay-

ment of death duties and foreign holdings continued to be exempt from income tax. Enthusiastically taken up by the holders, so that only a small proportion of the total remained unconverted, it was calculated that the scheme would save annually £30,000,000 gross and £23,000,000 net.

The Chancellor of the Exchequer made his annual Budget statement in the Committee of Ways and Means in the House of Commons, Mar. 25, 1933. Its chief features were: that it was balanced, that it contained no reduction in income tax, no provision for payment on account of the British War debt to the United States, for payments from Germany by way of reparations or from the Allied Powers and the Dominions in respect of War debts owed the United Kingdom. The result of 1932-33 was summarized as follows: Actual Expenditure, £777,000,000; Revenue, £745,000,000, leaving a Budget Deficit of £32,000,000. This Deficit included the payment to the United States of £28,900,000 and a Sinking Fund of £17,250,000. If against the latter was set off £2,656,000, borrowed on account of the interest on savings certificates, there was a net redemption of Debt of £14,600,000; and if the American Debt were excluded there was during the year a surplus of current revenue over current expenditure of approximately £11,250,000.

The estimate of Revenue and Expenditure for 1933-34 was: Revenue, £698,777,000; Expenditure, £697,486,000; leaving a Surplus of £1,291,000. In estimating Expenditure, provision was made for an increase for the Defence Services, for the default of the Irish Free State and the increased burden of unemployment. It was shown that debt charge stood at £224,000,000, as compared with £276,000,000 in the previous year's Estimates. Alterations in taxation proposed were, briefly, as follows: restoration of the half-yearly system of payment of income tax; decrease in duty on beer; imposition of duty on heavy oils; increase of duties on heavy road wheels, imported matches, mechanical lighters, British sparkling wines; reduction of rate of interest on Estate and Excess Profits Duties outstanding to 3 per cent., and of the stamp duty on share capital of Companies to 10s. per cent.; proposed payment, through amendment of the law, of additional income tax by co-operative societies; and silk and artificial silk were to come under the machinery of the Import Duties Act.

Australia and Other Dominions

In direct contrast with the financial turmoil of the previous two years, Australia's progress toward comparative recovery in 1932-33, was reflected as early as September, 1932, in the Budget Speech of Rt. Hon. J. H. Lyons (Prime Minister and Treasurer), the day after the reassembling of Parliament (Sept. 1). Instead of the Estimated Deficit of £1,148,300, the year 1931-32 showed a Surplus of £1,314,000, due mainly to a yield of £3,660,000 in excess of expectations from the Income tax. Mr. Lyons reviewed the achievements of the Government in the movement for financial rehabilitation since the inauguration of the Prime Ministers' Plan in June, 1931 (see *The Canadian Annual Review*, 1932, pp. 345-47). Deficits for 1931-32, he stated, had been cut down from a contemplated £40,000,000 to £20,147,000, of which £13,570,000 represented the Deficit of New South Wales; the £556,000,000 (internal) Conversion Loan had been successfully carried through, with a consequent saving in interest of £6,500,000 *per annum*; the adverse trade balance (merchandise only) of £33,000,000 sterling in 1929-30 had been converted into a favourable balance of £31,000,000 sterling in 1931-32; costs of production had decreased and the cost of the living index figure had come down from 1866 in 1929 to 1477 in 1931; bank and private interest rates had been materially reduced; and a distinct advance toward balancing Budgets had been effected. In spite of all this, the outlook for the ensuing year was still uncertain, and it was only by introducing even more drastic economies, including a further reduction in salaries of Ministers, Members of Parliament and civil servants, and a cut in invalid and old age pensions, that the Treasurer had been able to balance his Budget and to estimate a Surplus for 1932-33 of £12,000; this was accom-

plished, not only without imposing new taxation, but also in the face of a substantial revision of the tariff involving the abolition of import prohibitions, exemptions from primage duties and from the Sales tax and reduction of other duties.

Chiefly for the purpose of negotiating a conversion loan of New South Wales of over £12,000,000 due in London, Nov. 1, 1932, Rt. Hon. S. M. Bruce had been appointed Resident Minister for Australia in London, to take office upon the conclusion of the Imperial Economic Conference (July-August). The £12,360,000 $5\frac{3}{4}$ per cent. stock was successfully converted into Commonwealth stock carrying interest at $3\frac{1}{2}$ per cent., the price of the issue being $97\frac{1}{2}$ and the term of the loan five years. An attempt was made in May, 1933, to convert the Overseas Debt of the country, £43,000,000 of which bore interest at from 6 to $6\frac{1}{2}$ per cent. and £257,000,000 at from 5 to 6 per cent., with a total annual interest bill of £35,000,000 in Australian currency. The disturbed state of the London market, due to the existing international situation, however, made it advisable to defer action until conditions were more favourable.

As anxiety in connection with financial conditions abated, new problems—of which the most important was a constitutional one—rose to the fore. The movement in Western Australia for secession from the Commonwealth came to a head with the passing of an Act in the State Legislative Assembly on Dec. 30, 1932, providing for the holding of a Referendum to determine whether or not the citizens were in favour of secession or, as an alternative, of calling a convention of representatives from each of the states to revise the Federal Constitution. Although the immediate cause of the movement was dissatisfaction at the treatment accorded the State by the Federal Parliament, which was alleged to be chiefly representative of eastern interests, it had its root in financial, economic and geographical problems rather than in a definitely anti-national feeling. The Referendum was held on Apr. 8, 1933, with a vote, in favour of secession, of 138,653 against 70,706, and a substantial majority against the Convention. It was subsequently announced by the Federal Prime Minister (Mr. Lyons) that an interstate convention would be called to decide upon the constitutionality of the action. Held concurrently with the Referendum on Apr. 8, a General Election for the Legislative Assembly resulted in the defeat of the Government (Nationalist-Country) of Western Australia by the Labour Party. A reversal of this order was effected in South Australia, where, by an Election on the same day a Labour Government was ousted from office by a victorious Liberal Party.

New Zealand. Financial problems and the means of effecting their solution were again uppermost in New Zealand affairs during 1932-33. Apart from the question of the Imperial Economic Conference Agreements with the United Kingdom and other countries of the Empire, which were ratified on Oct. 21, 1932, discussions and legislation of Parliament during this period (Session: Sept. 22, 1932—Mar. 10, 1933) centred upon such matters as increased exchange rates, the debt conversion scheme, imposition of taxes and unemployment. The announcement of an increase in the rate of exchange on London from £110 to £125 for £100 sterling was made by the Prime Minister, Rt. Hon. G. W. Forbes (United Party) in the House of Representatives on Jan. 27, 1933. This action, he stated, had been taken by the Cabinet (Coalition) with a view to offsetting the decline in export prices and averting a policy of extreme deflation; the fact that it would mean an increased Budget expenditure was felt to be of secondary importance. An agreement made by the Government with the banks to indemnify them against any loss that they might incur through the increased rates was fulfilled by the Banks Indemnity (Exchange) Act, assented to on Mar. 1. As a result of the decision of the Government on this question, Hon. W. Downie Stewart (Reform), Minister of Finance and Customs, had resigned from the Cabinet and had been succeeded by Rt. Hon. J. G. Coates on Jan. 20. (The Portfolio of Attorney-General, also held by Mr. Stewart, was assumed by the Prime Minister). The Debt Conversion Act providing for the conversion of the internal Public

Debt of the country, amounting to £115,320,000, to a 4 per cent. basis, and assented to on Mar. 4, 1933, was the most important piece of legislation of the Session. Of the total, £45,800,000 was held by the Treasury and Post Office at rates generally not exceeding the proposed new minimum, and these were later reduced by administrative action. Issues of new stock to the holders of the balance of the total were to be so adjusted that the reduction of interest would not exceed 20 per cent. On the closing date of the Loan it was announced that holdings of dissenting owners totalled only £500,000.

Reduction in Revenues amounting to £5,850,000 for the fiscal year 1932-33 and additional Expenditures of £3,300,000, mainly due to the exchange increases, with a resulting Deficit of £700,000 had been anticipated by the new Finance Minister early in 1933. Toward the end of April, however, the existence of a small Surplus was disclosed, the amount of which was later announced as £40,000. Additional Revenue for 1933-34 amounting to about £2,500,000 was expected to accrue from increases effected during the Session in duties on sugar, tobacco and motor spirits and the export duty on gold, and by an Act providing for a Sales tax of 5 per cent.

Union of South Africa. The growing economic exigencies of the Union of South Africa in 1932-33 were, on the surface, almost supplanted in importance by the political upheaval which was itself engendered by them. The determination of the Prime Minister, Rt. Hon. J. B. M. Hertzog, and of his Cabinet (Nationalist) to cleave to the Gold Standard was unshaken in spite of representations by the Opposition led by General J. C. Smuts (South African Party), of the sufferings incurred thereby by the farmers, who were prevented from competing with other primary producing countries in the British market, and of its inevitable effect of a shrinkage in volume of business of all kinds and in proceeds of taxation, with the final result of a growing Government deficit. Matters were brought to a climax in December, 1932, when Mr. Tielman Roos, Judge of the Supreme Court of South Africa and formerly Minister of Justice and a warm supporter in the Nationalist Cabinet of Mr. Hertzog, resigned his seat on the Bench with the declared intent to re-enter the political field in strong protest against the Gold Standard policy of the Government and with a view to effecting a coalition between the Nationalist and South African Parties, pledged to the immediate devaluation of the currency and to the extinction of racialism. As a result of the abnormal purchases of exchange and withdrawal of gold coin for hoarding caused by Mr. Roos's confident Manifesto, the Government on Dec. 27 decided to relieve the Reserve Bank of its obligation to redeem notes in gold. The Banks were left free to regulate exchange transactions until Parliament assembled on Jan. 20, 1933, when, by the Currency and Exchange Act, introduced by the Minister of Finance, Hon. N. C. Havenga (passed by the Senate on Mar. 8), the South African pound was definitely linked to sterling, any loss sustained by the banks through the variation of exchange being chargeable to the Consolidated Fund, to which profits were also paid. Mr. Roos's efforts to ally himself with General Smuts at the head of a National Party, which had apparently gained some headway, received a set-back by this development, the monetary policy of General Smuts being, as a result, more in accord with that of General Hertzog and his followers than with the Roos plan of devaluation. A Resolution moved by General Smuts in the House of Assembly, and subsequently defeated, requesting the Government's resignation on account of their changed financial policy and urging the formation of a National Government, was met with an uncompromising statement of refusal by the Prime Minister, who felt that his views and those of the Leader of the Opposition were too radically opposed to permit of coalition. A period of political confusion followed which was reflected in economic conditions as well, and on Feb. 10 negotiations for coalition were opened, resulting, a few days later, in the offer by the Prime Minister to General Smuts of "a contractual or pact form of co-operation." Mr. Roos having withdrawn from the conflict, opposition in the Nationalist ranks was confined to a few die-hards, headed by Hon. D. F. Malan, Minister of the Interior. On Mar. 30

the Government resigned and, at the request of the Governor-General, General Hertzog formed a new Cabinet which was sworn in on the following day. It was composed of six Nationalist and six South African Party Members, with General Hertzog as Prime Minister and Minister of External Affairs, and General Smuts as Minister of Justice. At the General Election, held May 17, 1933, the Coalition Government was returned with only 12 Members of the House in Opposition.

The Budget Speech delivered by the Minister of Finance on May 30, a few days after the opening of the new Session of Parliament, gave the Deficit for 1932-33 as £47,000, making an aggregate Deficit, accumulated over four years, of £1,962,000, a better result than had been anticipated. The Estimated Deficit for 1933-34 was £5,724,000, due to a provision of £2,500,000 for export subsidies and of £1,900,000 to be applied to the Loan Account.

Irish Free State. Political strife within and economic warfare without, both the outcome of disrupted relations with the United Kingdom, were the dominating features of Irish Free State affairs during 1932-33. To counteract the action of the Free State Government, headed by Eamonn de Valera, in repudiating debts to Great Britain involving a total of £5,000,000 yearly, of which £2,900,000 concerned land annuities payments (guaranteed in turn by the United Kingdom to bondholders), £1,117,000, constabulary pensions, and £155,000, judicial and civil pensions, the United Kingdom Government in July, 1932, imposed special duties amounting to 20 per cent., on live stock and agricultural products exported from the Irish Free State, which were estimated to yield £3,000,000—the amount of the land annuities. The Free State Government promptly retaliated by enforcing new tariffs against the United Kingdom, at the same time announcing that bounties would be paid by the Government on agricultural exports to the United Kingdom. All attempts by the two countries to negotiate a settlement of the matter during the latter half of 1932 met with failure, the United Kingdom Government refusing to accede to Mr. de Valera's demand for international instead of Empire arbitration. Revenue from the first tariffs proving less than anticipated, further duties were imposed by Great Britain, effective Nov. 15, under the Import Duties Act, on certain manufactured articles, and increasing those on live animals from 20 to 40 per cent. and on agricultural produce, from 20 to 30 per cent. A special emergency fund of £2,000,000 was voted by the Dáil to pay exporters of the manufactured goods the amount of duty exacted on their exports. Meanwhile friction between the Governor-General, Mr. James McNeill, and the Free State Government, resulted in the former's relinquishing his office on Oct. 3. Mr. Donal Buckley was appointed by Mr. de Valera as his successor on Nov. 25.

A non-confidence Motion introduced in the Dáil on Nov. 15 by Mr. W. T. Cosgrave, Leader of the Opposition, condemning the Government for their failure to achieve a satisfactory settlement of their difficulties with the United Kingdom and for their resulting ruinous economic policy, was lost by a vote of 70 to 75, the lowest majority received by Mr. de Valera up to that time. The strong opposition of the Labour Party, on whom they were dependent for support, to the Government's decision to put into operation on Jan. 1 civil service wage cuts, particularly affecting the lower grades; the rise of a movement to unite into a national party all the opposing groups with the Cumann na nGaedheal Party (headed by Mr. Cosgrave); and the practical wisdom of becoming firmly entrenched before producing the Budget, were the apparent motives behind Mr. de Valera's unexpected request for the dissolution of the Dáil on Jan. 3, 1933, and the calling of a General Election on the 24th. The Election resulted in the return to power of Mr. de Valera at the head of the Fianna Fáil Party, with a majority of one over all the other parties combined and a following of 77, or 5 more than in the old Dáil. Mr. Cosgrave, with 48 supporters, showed a loss of 9.

The two most important pieces of legislation enacted by the new Dáil, which assembled on Feb. 8, were, a measure providing for the use for "normal

exchange requirements" of sums received from the lands annuities and other charges thitherto retained in the suspense account, and the Constitution (Removal of Oath) Bill. After being twice rejected by the Senate, when the latter body's right of *veto* under the constitution expired, the Bill was finally re-passed by the Dáil on May 3 and received the formal signature of the Governor-General.

On May 10, Mr. Sean MacEntee, Minister of Finance, introduced his Budget showing a Surplus for the year 1932-33 of £1,141,000. The gross Revenue was £29,990,935, including £2,968,000 diverted from the Land Purchase Annuities Fund, and the Expenditure, £28,849,739, including the sum of £3,616,000 mainly used for export subsidies and bounties. A Surplus of £16,000 was estimated for 1933-34.

Action of the Government outside the Dáil, such as the dismissal in February, without adequate explanation, of General Eoin O'Duffy, Chief Commissioner of the Civic Guard, reflected their apparent desire to placate the extreme Republican element as represented in the Irish Republican Army (the I.R.A.). This particular step on the part of the Government was to prove significant in its political repercussions, especially marked in the latter part of 1933.

Official figures issued from Dublin in September, 1933, indicated the extraordinary decline in the trade of the Irish Free State during the twelve months ended July 31, 1933. The total trade for that period amounted to £55,255,418, as compared with a total of £83,030,930 for the year ended July, 1932, a decrease of over £27,000,000. Notwithstanding the bounties paid by the Government, total exports of cattle for the first seven months of that period fell from £5,402,000 in 1931-32 to £2,965,000 in 1932-33; horses, from £1,067,606 to £394,784; and pigs, from £736,000 to £192,000.

India. Movement toward constitutional reform in India tended in 1932-33 far to surpass in constructive effort the comparatively insignificant developments of the preceding twelve months. In accordance with their promise of June 27, 1932, given in response to the request of the Consultative Committee of the Round Table Conference, who had themselves failed to solve the problem, the United Kingdom Government published, on Aug. 17, their decision on the communal question. The plan proposed was confined to representation in the Provincial Legislatures; separate communal electorates were provided for Muslims, Sikhs, Indian Christians (with some exceptions), Anglo-Indians and Europeans. Depressed Classes or "Untouchables" were to vote in the general constituencies and were also to have a number of special constituencies in districts where they were more numerous, in order that they might be ensured of adequate representation. Distribution of the seats was as follows: General, 705; Depressed Classes, 71; backward areas, 20; Sikhs, 35; Muslim, 489; Indian Christians, 21; Anglo-Indians, 12; Europeans, 25; commerce and industry, 54; landholders, 35; universities, 8; and labour, 38. As was expected, the plan was assailed vigorously on all sides in India, but no satisfactory alternative was suggested, though freely invited by the United Kingdom Government. The only definite action taken was the negotiation of the Poona Pact between the caste Hindus and the Depressed Classes, which abolished the separate electorates for the latter and gave them a total of 148 seats instead of 71. This was the outcome of the strenuous protests on the part of Mr. Gandhi (the prime mover in the negotiations) against the separation of the "Untouchables" from the Hindus.

The third session of the Round Table Conference which was held Nov. 17—Dec. 24, 1932, was attended by representatives of all parties in India except the Congress, whose leaders, including Mr. Gandhi, had been imprisoned for reviving the civil disobedience movement. Considerable success attended the Conference discussions, which were mostly concerned with the question of safeguards, both of British interests and of the minority communities. Its results, as well as those of previous conferences and inquiries held since 1930, were embodied in the White Paper, published by the Government on Mar. 18. In the introduction

to the document it was announced that it was the intention of His Majesty's Government "to invite both Houses of Parliament to set up a Joint Select Committee to consider these proposals in consultation with Indian representatives and to report upon them." The White Paper provided for a Federation, the basis for which had been agreed upon at the first Round Table Conference (see *The Canadian Annual Review*, 1930-31 and 1932) and which would come into existence when one-half of the Indian States had signified their intention of joining it. The Provinces received full autonomy and the Federal Government complete administrative responsibility, except in the case of defence, external and ecclesiastical affairs, which Departments were to be reserved to the Governor-General who was also given a special responsibility for "the prevention of grave menace to the peace and tranquillity of India; the safeguarding of the financial stability and credit of the Federation, of the legitimate interests of minorities, and of the rights of any Indian State; and the prevention of commercial discrimination." The Federal Legislature was to consist of two Chambers; an Upper Chamber of 260 members—100 to be appointed by the Princes; 150 to be elected by Members of the Provincial Legislatures of British India, and 10 nominated Members; and a Lower Chamber of 375 Members—125 to be appointed by the Princes and the others to be elected according to the seats allocated to each Province and to the several communities and interests in each Province. The allocation of seats in the Provinces and the method of election were to be those set out in the Communal Award of August, 1932. Both Houses of Parliament of the United Kingdom, in spite of opposition in some quarters to the document itself, voted for the appointment of the Joint Select Committee to further examine the proposals of the White Paper.

Newfoundland. Following the assumption of office in June, 1932, by the new Government (United Newfoundland), with Hon. F. C. Alderdice as Prime Minister, the inauguration of drastic economies led to hopes of an Actual Surplus for the fiscal year 1932-33; these, however, were doomed to disappointment. In December, 1932, the Prime Minister was forced to approach the Governments of the United Kingdom and Canada for assistance in paying the instalment due on her External Debt on Jan. 1, 1933. A joint loan of \$1,250,000 was made available by the two countries on the condition that Newfoundland should consent to the appointment of a Royal Commission to investigate the affairs of the country. The Commission, composed of Rt. Hon. Lord Amulree, G.B.E., K.C. (United Kingdom), C. A. Magrath, LL.D. (Canada) and Sir William Stavert, K.B.E. (Newfoundland) commenced its labours in March, 1933.

In his financial statement to the House of Assembly on June 29, 1933, the Minister of Finance (Mr. Alderdice) stated that there had been an actual Deficit for 1931-32 of \$4,029,339. The Surplus of \$29,893, with Revenue of \$10,180,000 and Expenditure of \$10,150,107, estimated for 1932-33 by his predecessor in office, had, due to a continued decline in Revenue and in spite of every effort at economy, been turned instead into a Deficit of \$3,381,000. A prospective Deficit of \$2,145,167 was reported for 1933-34. Pending the Report of the Royal Commission, the United Kingdom Government again offered to come to the Dominion's aid to make up the balance of interest due on her Public Debt on July 1. As the Government of Canada had regretfully stated that similar action on their part would not be possible at that time, a grant was made to Newfoundland by the United Kingdom totalling £400,000.

Vice-Regal Activities in Canada

The many duties attendant upon the holding in Ottawa of the Imperial Economic Conference and the numerous functions taking place in connection therewith, were the most absorbing items on the programme of Their Excellencies, the Earl of Bessborough, the Governor-General of Canada, and the Countess of Bessborough during the Summer of 1932. In the early Autumn, their travels

previously having been confined to the East of Canada, they made their first visit to the Western Provinces in a six-weeks' tour extending from the middle

of August to the end of September. Enthusiastic receptions were everywhere tendered them—at each stopping point between Ottawa and the Pacific Coast. The Governor-General delivered notable addresses to Western audiences in the course of their attendance at public functions held in their honour and on the occasion of visits to various institutions. The Vice-Regal party returned to Ottawa in time for the opening of the 1932-33 Session of Parliament on Oct. 6.

Constructive action in a field distinct from his official duties was taken by His Excellency in an effort to encourage the development of Canadian dramatic talent. As a concrete step in this direction he called a meeting at Government House on Oct. 29 which was attended by representatives of amateur dramatic groups from six of the nine Provinces. In enthusiastic support of Lord Bessborough's suggestions, the meeting decided to hold a Dominion Drama Festival, competitive in nature, and open to teams from all the Provinces, selection first to be made in regional and Provincial contests (see Section on Drama).

On the occasion of their first official visit to Kingston, Ont., on Nov. 5, when they were tendered a civic reception, Their Excellencies were both made recipients of the honorary degree of Doctor of Laws (LL.D.) by Queen's University.

Among the many outstanding addresses of the Governor-General during the year was one given in Toronto on Nov. 19, under the auspices of the Royal Canadian Institute. The promotion of scientific union within the Empire formed the basis of his speech. "In an Empire, like ours, covering such an enormous area and possessing such tremendous natural resources, an Imperial view of science should arise, with the development of the resources under Imperial control." He referred to the increasing importance of science as applied to industrial problems and spoke of the part which the great Universities of the Empire had played in this connection. Speaking on the occasion of the official opening of the new surgical building of the Toronto Hospital for Consumptives at Weston, on Feb. 3, 1933, His Excellency touched upon a widely-debated social problem of the day when he uttered a warning against the danger of shifting too much responsibility for the well-being of the unfortunate upon the state. The possible effect of this, he pointed out, was that the individual might in time disclaim altogether his own private responsibility in such matters.

With the exception of a brief trip to the Maritime Provinces in February, when Her Excellency sailed from Halifax for a short stay in England, and visits to various points in Ontario and Quebec, the Governor-General concentrated his attention for the remainder of the Winter upon his official duties at Ottawa. Prior to taking up residence for the Summer at the Quebec Citadel, Their Excellencies made an extensive tour of Northern Ontario and Northern Quebec.

High Commissioners' Offices

In addition to his many activities in connection with arrangements for the Imperial Economic Conference at Ottawa in July, 1932, which involved exchanges of views with Members of the United Kingdom Government and with leaders of trade and industry, and much concentrated attention generally on the problem of widening the market for Canadian products in the United Kingdom, Hon. G. Howard Ferguson, High Commissioner for Canada in the United Kingdom, personally supervised all matters of importance dealt with in correspondence between the Departments of the Government at Ottawa and their representatives in Great Britain. According to the Report of the Secretary of State for External Affairs for the calendar year 1932, the financial business undertaken by the High Commissioner's Office during that period comprised the administration of expenditure on behalf of the Departments aggregating \$1,967,405, of reparations receipts of approximately one million dollars, the collection of principal and interest on post-War

loans totalling nearly a million and a quarter dollars, arrangements for the issue, transfer, redemption and discharge of Grand Trunk Pacific new debenture stock representing \$4,583,850, and the handling of securities deposited in London in accordance with the provisions of the Canadian Insurance Act amounting to \$53,043,906. Other business on behalf of the Departments included arrangements for interchange of defence personnel and requisition of defence equipment and stores, sale of Customs duty stamps, distribution of Government publications, interpretation of regulations, and the disposition of inquiries concerning Canadian legislation, passports, naturalization, missing relatives, Succession duties, Customs and special duties, Sales and Excise taxes, business conditions and opportunities in Canada, shipments of Canadian cattle and many other inquiries demanding provision of general and specific information regarding Canada. During his visit to Canada in August, the High Commissioner took occasion to stress the need of a more careful study by Canadian manufacturers of the United Kingdom market for Canadian products, of the adoption of high standards of grade and quality and of an uninterrupted supply of Canadian products of merit. His Majesty the King having graciously signified his consent, arrangements were completed by the High Commissioner's Office with His Majesty's Office of Works and with the sculptor, Sydney March, for the erection for three months in Hyde Park, London, of the Canadian National War Memorial. The memorial was open for inspection by the public on Oct. 21, 1932.

Sir William Clark, High Commissioner in Canada for the United Kingdom, was absent from the Dominion on an extended holiday to England from September, 1932, to January, 1933. Upon his return, in a statement to the Press, he declared that benefits from the Trade Agreements of the Imperial Economic Conference were even then becoming apparent. Trade between Canada and Great Britain was increasing—Great Britain's share of the Canadian import market during October, 1932, had been greater than in any month for 21 years. He quoted figures showing an increase in Canadian purchases of anthracite and United Kingdom purchases of Canadian wheat. Several addresses were delivered by Sir William at public gatherings during the following months, in which he gave optimistic reviews of the revival of trade and industry in Great Britain; these included one to the Empire Club of Canada in Toronto, on Feb. 2, and another before the Ottawa University Club on Feb. 8. At the annual dinner on Apr. 25 of the English-Speaking Union (Ontario Branch) in Toronto, he was the guest of honour, addressing the gathering on "The Efforts of the English-Speaking Peoples." It was announced on June 27, 1933, that Sir William's term of office had been extended until September, 1934. He had been appointed High Commissioner in 1928.

INTERNATIONAL AFFAIRS

**World
Efforts
Toward
Recovery** International efforts toward world recovery from depressed economic conditions, during the year that followed the Lausanne Conference (June-July, 1932), were apparently barren of any concrete accomplishment. No satisfactory conclusion was reached by War debts negotiations, consequent upon the preliminary arrangements at Lausanne; complications in international policies occurred when a new financial and industrial experiment was launched in the United States in the early Spring of 1933; the expected results of the Monetary and Economic Conference did not materialize; disarmament seemed impossible of attainment; and the League of Nations proved inadequate to cope with the situation in the Far East.

The signing of the Lausanne Convention, on July 8, 1932, (see *The Canadian Annual Review*, 1932, p. 360-63, for summary of the Lausanne Conference, June 16-July 8, 1932) seemed a hopeful augury for the improvement of the War debts and reparations situation. The Agreement was signed by representatives of the United Kingdom, France, Italy, Belgium and Japan. Its chief provisions were: (1) the abolition of reparations; Germany was to pay by means of bonds delivered to the Bank for International Settlements, the amount of 3,000,000,000 Reichsmarks gold only (about \$750,000,000 at par), to be negotiated by the Bank when her financial position would allow it, and not before the expiry of three years from the date of the Convention; (2) the setting up of a committee to consider "non-German reparations", and such payments due to be reserved until Dec. 15, failing a settlement before that date; (3) a decision to appoint a Committee to submit to the Organizing Committee of European Union measures for the restoration of the countries of Central and Eastern Europe; and (4) the calling of a "conference on monetary and economic questions" by the League of Nations, a committee, composed of experts representing the five signatories and Germany, to be formed for preliminary discussion. A measure of disillusionment succeeded the hopes aroused by the Treaty, after the announcement of a "gentleman's agreement," also signed on July 8, providing that ratification of the Lausanne agreement by the signatory powers would take place only after "a satisfactory settlement has been reached between them and their creditors"; failing this, another conference would be necessary and "the legal position will be that which existed before the Hoover Moratorium." The attitude of the United States Government toward the "satisfactory settlement" mentioned in this agreement was indicated in a statement issued by William R. Castle, Jr., Acting Secretary of State, on

July 9. Pleasure in the "great step" taken by the nations was expressed, but it was added that the United States Government had not changed their attitude of disapproval of cancellation, which had been voiced in the statement of the President concerning the Moratorium, on June 20, 1931. Suggestions overtly made, that a private understanding with the United States had been reached previous to the signing of the Lausanne Convention, were refuted by assurances from the Prime Minister of Great Britain in Parliament, by an announcement from the British Treasury on July 14, and by a statement made by the President of the United States (Mr. Herbert Hoover). The Pact was denounced at first in the Congress as "a plot" connived at by the European nations in order to force the United States to cancel their debts to her, although Senator William Borah (Chairman of the Senate Foreign Relations Committee), a notable exception, urged, on July 23, reduction or cancellation of debts on the ground that it would be "in the interest of the people of the United States to do so" (*The Times*, London, July 25, 1932), and declared that this question, together with the revision of the Versailles Treaty and consideration of other post-War problems should be on the *Agenda* of the Monetary and Economic Conference.

An aftermath of Lausanne was a Declaration, pledging themselves to co-operate in the consideration of European political and economic problems and inviting other powers to join them, signed on July 13, by France and Great Britain; the Italian Government subsequently stated that they were in agreement and were glad to give their adhesion to the mode of treatment of problems proposed. By Sept. 15, three of the seven European debtors of the United States had given notice of postponement of principal payments—the first since the Hoover Moratorium—on War debts due Dec. 15. Settlement of the question was withheld owing to the pre-occupation of the United States with her internal affairs, with the election campaigns in October and November and, early in the new year, with the shock of the imperilled financial position of her banks, and the new President's (Mr. Franklin D. Roosevelt) subsequent emergency measures.

In the meantime, pending the debt payments due Dec. 15, 1932, the British and French Governments, as the two greatest debtors, made special attempts, individually, to come to an understanding with the United States Administration, but without success. The payment of Great Britain, due on that date, amounted to \$95,500,000 (£19,633,561 at par); \$30,000,000 on account of principal and \$65,550,000 on account of interest. The payment due by France was \$20,000,000 (over £4,000,000, at par). Amounts owing to the United States by other countries on Dec. 15 were much less. The series of Notes through which the negotiations were carried on, were particularly interesting in that they reflected, on the one side, the conviction that the debts were one of the major obstacles in the way of world

prosperity, a view which was later endorsed by the Preparatory Commission of Experts and by the Monetary and Economic Conference, and, on the other, the belief that the debts were a minor factor, only, in world conditions.

The Notes. Great Britain's first Note, presented on Nov. 10, requested a review of inter-governmental financial obligations. It gave two reasons why this course should be followed: (1) that the Hoover Moratorium had failed to supply the hoped-for alleviation of economic troubles; (2) that, in accordance with the recommendation in the Hoover-Laval *Communiqué* of October, 1931, the Lausanne Agreement had been arrived at " . . . for the achievement of which the co-operation of the United States is essential." In the meantime, only suspension of the December 15 payments for the duration of the necessary discussions was requested. France's Note, dispatched the next day, contained similar requests.

The United States answer was contained in a statement issued by President Hoover on Nov. 23 and, in replies on the same day, in the form of Notes, presented to the respective ambassadors. Both Notes, reflecting the President's statement, were substantially the same. Of the two, only that to the French Government mentioned the possibility of compensation other than cash; and lauded the arrangement made by Congress with its debtors as being "both liberal and wholly within the capacity of the debtor to pay. . . ." In both replies he stated his willingness to recommend to Congress the constitution of an agency and his appreciation of the decisions made at Lausanne. In his statement, Mr. Hoover, opposing both suspension and cancellation, summarized the policies followed by the United States in the past and his own views as to the course which should be pursued in the future. The debts, he said, had been undertaken on the understanding that they were loans which would actually be repaid. The United States had always held that the debt agreements must be maintained "except as adjusted by mutual consent"; that her dealings with each of the debtor Governments must be separate; and that the settlements had taken into consideration "the economic conditions and the capacity to pay" of each nation concerned. The United States had always insisted, Mr. Hoover stated, that the debts "must be treated as entirely separate from reparation claims arising out of the War," for two reasons, (1) that, as after the War the United States had refused to accept general reparations or any compensation in territory, economic privileges or governmental indemnity, "our position is entirely different from that of governments that are both creditors and debtors; and (2) since we owe no obligations of any kind to others no concession made in respect of a payment owed to us could either, in whole or in part, be set off or balanced against claims owed by us to any other creditor of our own country. . . . every such concession would result in the inevitable transfer of a tax burden from the taxpayers of some other country to the taxpayers in our own, without the possibility of any compensating set-off." The main difficulty, he stated, in the way of revision of debts, was that the debt agreements were unalterable save by Congressional action, and Congress hitherto, by action and statement, had declared that cancellation or reduction was against their policy. Admitting that the increased weight of debts, through the world-wide crisis, had given them a bearing on the problem of world recovery, President Hoover put forward two practical suggestions: (1) that "advantages to us could be found by other forms of tangible compensation than cash, such as expansion of markets for products of American agriculture and labour" and other "possible compensation in economic relations"; and (2) that Congress should create an agency through which views might be exchanged with the debtor Governments. The debts problem, Mr. Hoover said, was regarded by the people of the United States as being linked to the disarmament problem; the agency, therefore, should be so constituted that these matters and the world difficulties, which would be under discussion at the World Economic Conference could be con-

sidered together. No facts presented, Mr. Hoover asserted, justified postponement of the instalments. He proposed, in the meantime, however, that arrangements might be made to ease the transfers.

The plea for international co-operation contained in the President's Notes seemed a hopeful omen for the ending of United States isolation from world efforts. The Government, however, were involved in a difficulty of procedure. On Nov. 8 Franklin Delano Roosevelt had been elected President; between then and the inauguration on Mar. 4, 1933, the Hoover Administration constituted practically an *interregnum*. Mr. Hoover, therefore, sought to obtain the co-operation of the President-elect in dealing with the debt problem. The exception taken by Mr. Roosevelt to any means of negotiation of the question other than the "existing agencies of diplomatic intercourse," in a statement issued Nov. 23, after conferring with the President, anticipated opposition in Congress to the suggestion of a new agency.

In response to the declaration of the United States Government that they had not been supplied with sufficient facts, and while the pound sterling, under the pressure of uncertainty, dropped on Nov. 29 to, approximately, \$3.14½ in New York funds—a new all-time low—a new Note, which was regarded as a unique document for the clarity of its explanation of her position, was presented by Great Britain. It stated that the purpose in requesting adjustment and suspension was "to avoid the financial and political unsettlement which must follow resumption of War debt payments; to avert intensification of the present world depression by the further disturbance of the exchanges; to foster the revival of commercial confidence . . . ;" and to allow a close examination of the subject between the two countries "in preparation for the International Economic Conference." The Note based its plea on three main considerations: first, on the general loss suffered by both creditor and debtor countries; secondly, on the past record of the country (Great Britain) in the matter of inter-governmental debts and its existing position; and, thirdly, as a logical consequence of the Hoover Moratorium and the Lausanne Pact. These three reasons were further developed.

First, the question of War debts and reparations had been generally recognized as one of the major causes of the depression in world affairs, the adjustment of which was "the only lasting step capable of establishing confidence, which is the very condition of economic stability and peace (The Basle Committee, December, 1931)"; the partial payment of these loans which had been taken "not in the form of money, but in the form of goods," thus enormously augmenting the volume of exports of the lending countries, was formerly possible through the flow of investment capital from the United States to Europe and which since had been withdrawn. The serious condition of the world since the financial crisis, and near panic of 1931, could not be improved until the causes undermining public confidence—one of which was the system of inter-governmental debts—were removed. These world conditions had, in turn, impeded the payment of debts, which, representing "expenditure on destruction," differed from normally self-liquidating commercial loans, and could be paid "only in the form of goods or services." The payment of large sums annually by debtor to creditor countries had necessarily, on account of stringent trade restrictions, taken the form of gold; "such unnatural transfers" were the cause of the acute economic conditions which had developed. The Note added here a comparison of the position of taxpayers in their respective countries, if the debts were remitted: the British taxpayer, although reparations and War debt payments to Great Britain had covered her current payments to the United States, would still have to pay £80,000,000 (\$390,000,000 at par) for interest on internal loans out of which his country had made advances to the Allies; the United States taxpayer, on the other hand, would have his burden increased by \$270,000,000 a year, or the amount due his Government from foreign countries in respect of War debt payments; hence the policy consistently advocated by Great Britain involved sacrifices on the part of the British, as well as the United States taxpayer.

Secondly, the unprecedented record of Great Britain, the Note stated, justified her request. Of the £2,400,000,000 (\$12,000,000,000) British War expenditure in the United States, only about one-third was financed by borrowings from the United States Government; the rest had been financed by the sale of gold securities and by commercial loans, since mostly repaid. In respect of their indebtedness to the United States Government, £629,000,000 (\$3,063,000,000) had been paid both before and after funding agreements. Loans made by Great Britain to the Allies amounted to £1,600,000,000 (\$7,800,000,000) and loans by the United States, to £2,055,000,000 (\$10,000,000,000). The proposal to join in an equitable arrangement for all-round reduction or cancellation having been refused, Great Britain's demands, therefore, were limited to the amount required to cover her own debts. Nevertheless, some £200,000,000 (\$973,000,000) had been found by the British taxpayer. Although, of the total indebtedness to the United States, Great Britain's share was 40 per cent., 80 per cent. of total payments received by the United States had come from the former country. The fall in the value of sterling and in wholesale prices, the high United States tariff and the shrinkage of trade between the two countries (since the funding agreement, from about £300,000,000 a year to £100,000,000) had added to the burden of the British people. If War debts were resumed, the Note stated, the exchange position of Great Britain would need to be strengthened by restrictive measures on purchases of United States goods, especially farm products; British market facilities would also have to be guarded against use by other debtors of the United States to obtain sterling.

And, thirdly, the Note pointed out that the Hoover Moratorium provided a much needed respite but was not sufficient to restore confidence; the Lausanne settlement, the initiative in devising which had been taken by the creditor Governments of Germany, "with the cognizance and approval of the United States Government," inevitably required, for completion, a satisfactory settlement between them and the United States Government. The connection between reparations and War debts, accepted by other countries, creditors of Germany, and denied by the United States Government, had been "by implication admitted" by them in preparing the Moratorium. Resumption of payments would involve the undoing of all arrangements made at Lausanne, and payments of the December instalment would entail a strain on the gold reserves of the Bank of England, which were "no more than sufficient for the responsibilities of London as a trading centre."

The second Note from France, on the same day (Nov. 29) based its plea, especially, on changed world conditions, already recognized by the Hoover Moratorium; on the claim that the Lausanne discussions had been instigated by the Hoover-Laval *Communiqué*; on the loss in German reparations already suffered by France through Lausanne; on her budget deficit; and on the efforts made by her for restoration of world prosperity.

The United States reply was sent to Great Britain on Dec. 8, after the opening of the last Session of the Seventy-second Congress on Dec. 5, when determination that their debtors, above all, France, should pay, marked the attitude of the Members. The Note welcomed examination with Great Britain, of means to improve world conditions, especially in preparation for the World Economic Conference, and declared that means to facilitate payment on Dec. 15 would willingly be considered by Congress. Arguments were advanced in refutation of Great Britain's claims: many loans made by the United States were not for destruction, but for food and other supplies; the United States Government considered that "the causes of this depression lie in much more potent forces than these debt transactions"; Great Britain, in estimating difficulties of payment, had not taken into account the large United States tourist expenditure and immigrant remittances; debt payments had been a minor item in international transactions; gold holdings of the United States had actually increased very little since the beginning of debt payments; in addition, the Note quoted the British Treasury statement of July 14, to the

effect that the United States was not involved, by a preliminary expression of approval, in the Lausanne settlement; and declared that the representatives of debtor countries had signed no agreement which they did not believe fulfilled the policy of the Debt Funding Commission. The French Government were more summarily requested to appreciate "the importance of making the Dec. 15 payment in accordance with its terms" and the necessity of maintaining agreements pending analysis.

Breakdown of Negotiations; Other World Efforts. The upshot of all debt negotiations was the payment of the sum due by Great Britain on Dec. 15, in gold, the reservation being made that the payment was "not to be regarded as a resumption of the annual payments," according to the existing agreement, but "as a capital payment," in anticipation of a discussion before June 15, which would be necessary in order to obviate "the risk of a general breakdown of existing inter-governmental agreements." Upon receipt of a deprecating United States' reply that presumably Great Britain's reservation referred merely to the proposals that would be made after re-examination, assurance came from the latter country that she had desired simply to state her own position clearly.

In the meantime, the French Chamber of Deputies strenuously debated the question. On Dec. 14, after overthrowing the Herriot Cabinet on its policy of payments with reservations and, in spite of assertions by the Prime Minister that by so doing France would isolate herself, the Chamber of Deputies voted, 380 to 57, against payment until a debt conference should be held. Belgium, after an exchange of Notes, claimed herself unable to pay her instalment. On Dec. 15, besides Great Britain, payment was made by Czecho-Slovakia, Finland, Italy, Lithuania and Latvia; Belgium, France, Hungary, Poland and Estonia were technically in default.

Negotiations were ended for the time being. In a message to Congress, Dec. 19, in which he urged co-operation for the re-establishment of currency and exchange stability, with a larger use of silver as a supplementary currency, the President repeated his previous assertions concerning War debts, saying that the success of the World Economic Conference would be furthered by exploration of this question in advance; and that it should be considered in connection with both the World Conference and the Disarmament Conference. Mr. Hoover's plans for immediate discussion, as indicated by his attempt, on Dec. 17, to induce the President-elect to collaborate with him in selecting a delegation, were nullified by Mr. Roosevelt's refusal. He preferred "the existing machinery" or "special agents of the President himself," and, he said, policies binding on the incoming Administration should not be fixed. "A permanent economic programme should not be submerged in conversations relating to disarmament or debts"; he recognized, however, "a relationship but not an identity." Mr. Roosevelt's contention was that the acceptance of responsibility by him when he constitutionally lacked authority, might be misconstrued as a commitment to policies. Later, in January, 1933, after another conference be-

tween the President and the President-elect, an invitation was issued to the Government of the United Kingdom to send a representative for discussions. This was accepted, for the consideration of debts "and other world economic problems" as a preliminary to discussions on the Economic Conference *Agenda*.

In the same month the Report of the Preparatory Commission of Experts for the World Economic and Monetary Conference was issued, containing an extensive analysis of the world's ills, with an appeal for the settlement of War debts as an essential, the consideration of a successful restoration of a free gold standard, reasonable stability in prices, the loosening of trade, and the co-operation of central banks in credit policy.

In the next month signs of a critical condition among the United States banks appeared; as the situation developed to such an extent that radical remedies became necessary, the outcome, in view of its possible effect on the financial and economic policies of the country, was awaited with anxiety by the other nations who were to participate in the World Conference. The policies of Mr. Roosevelt aroused profound interest, as a unique experiment to promote national well-being. Public confidence in the United States had been undermined by the inability of Congress during the "lame duck" Session to balance the Budget, and by disclosures made at the investigations by the Senate Banking and Currency Committee into the Insull Utilities and into the operation of the National City Bank of New York, which had resulted in the resignation of Charles E. Mitchell, its President. Resultant "runs" on the banks so depleted their resources that, by the eve of Mar. 4, the day of the inauguration, every State had either declared a bank holiday or had restricted banking operations. Trading on foreign exchanges ceased, except in London and Canada in a restricted form. The day after his inauguration, the new President declared a four-day, nation-wide, bank holiday, which on Mar. 9 was extended indefinitely. Withdrawal of gold or silver for domestic use or export during this time was forbidden. At the special Session, called for Mar. 9, Congress, by a series of epoch-making laws, gave the President unheard-of and almost unlimited powers in a wide field. Most of the banks reopened, at various times after Mar. 13, under licence. The Executive, by an emergency Banking Bill, passed the first day, were given power to regulate the banking system, to reorganize the banks, to expand the currency in the form of Federal Reserve bank notes issued against Government obligations or notes and to impose penalties for the hoarding of gold.

On Apr. 19, while the delegates to the "Washington Conversations" were *en route* (see Sub-section "Monetary and Economic Conference"), the President ordered an embargo on the exporting of all gold with the main exception of such as was ear-marked under licence "for a recognized foreign Government or foreign central bank or the Bank for International Settlements." The embargo was fol-

lowed, the next day, by the proposal of an Amendment to the Agricultural Relief Bill, which was considered to contain the seeds of inflation; it was approved on May 12. The Act itself was an attempt to raise prices; it provided for reduction, under certain conditions, in acreage or production of basic agricultural commodities. The Amendment, which was hotly disputed in Congress, provided that the Treasury might agree upon open market operations with the Federal Reserve Banks, who could purchase and hold Treasury bills, or other Government obligations, in an aggregate sum of \$3,000,000,000, in addition to those they then held; if such an agreement could not be reached, the President might order the issue of United States notes, to the same aggregate. Such notes and all coins and currencies of the United States were declared to be legal tender for all debts, public or private. He could also, by proclamation, fix the weight of the gold dollar at not less than 50 per cent. of its existing weight, and a ratio between it and the silver dollar, these weights to be "at such amounts as he finds necessary . . . to stabilize domestic prices or to protect the foreign commerce against the adverse effect of depreciated foreign currencies, and to provide for the unlimited coinage of such gold and silver at the ratio so fixed" or in accordance with possible agreements with other Governments. For six months after the Act, the President was authorized to accept silver in payment of debts from foreign governments up to \$200,000,000.

On June 5, the United States' stand on the gold question was further clarified by the approval of a joint Resolution, passed by both Houses, which declared the "gold clauses" in all obligations were "against public policy," were prohibited for the future, and could be discharged upon payment of legal tender. In the meantime, Bills of less interest to the outside world had been passed, each, however, adding to the President's control of domestic affairs; he was empowered to carry out economies in expenditures on Government offices and employees, and in veterans' pensions; he initiated a public works programme, legalized the sale of beer, and finally inaugurated the National Industrial Recovery Act (approved June 16). Its anticipated bearing on price levels and tariffs gave it international significance. Including a public works programme costing \$3,300,000,000, it represented a wholesale effort at co-ordinating the industrial life of the nation, by increasing employment, shortening the working week, assuring decent wages and the prevention of unfair competition and over-production. Codes were submitted by the various trades to the President, who was empowered to license all industry if other plans for control failed.

In the meantime, the course of events in Germany and the repeated failure of the Disarmament Conference to come to agreement were causing concern among Governments. The intensification of Nationalist feeling in Germany, consequent upon the steadily increasing membership of the National-Socialist Party and the subsequent accession of Adolph Hitler, the "Nazi" Leader, to the Chancellorship,

Jan. 30, 1933, was coincident with a boycott of Jews in the country, allegedly with the committing of violence; in addition, there was strained feeling between Germany and Austria as a result of Nazi propagandist activities in the latter country; all conspired to arouse in outside nations sympathy for the German Jews and the Austrian Government and alarm for future world peace. A measure of hope for co-operation was induced by two statements: one, May 16, a message on political and economic peace from the President of the United States to the Heads of the States taking part in the Disarmament and Economic Conferences, in which he said that the latter must quickly establish order, urging that the fear of invasion be removed from the nations, and proposing a non-aggression pact; the other, on May 17, the long-awaited pronouncement on German foreign policy by Chancellor Hitler in the Reichstag; blaming the world's troublous problems on the Peace Treaty, he postulated revisions; accepting the MacDonald plan as a starting point, he demanded ultimate disarmament of all, or equality for Germany; in addition he welcomed Mr. Roosevelt's proposals and favoured peaceful methods in settling questions, disclaiming emphatically any desire for war or invasion.

Hopes for international co-operation, aroused by these and other statements and the imminence of the Monetary and Economic Conference, were not to be sustained.

The Disarmament situation showed no improvement; and the growing preoccupation of the President of the United States with the domestic affairs of the country, where developments took place too quickly to be assimilated into a foreign policy to fit them, was a main factor in world affairs for the remainder of the period ended June 30, 1933. Statements issued by Mr. Roosevelt jointly with each delegate to the "Washington Conversations," instigated by him as a preliminary to the Monetary and Economic Conference, tentatively postulated increased price levels, loosening of trade, expansion of credit through the Central Banks, and ultimate re-establishment of a monetary standard; in his May message, the President appeared to put "stabilization of currencies" as the first problem to be considered. The National Industrial Recovery Act, (N.I.R.A.), generally appraised as necessitating the maintenance of tariff barriers in the United States; the initiation of a "tariff truce" by the United States representative on the Preparatory Commission and the subsequent impassioned plea of Mr. Cordell Hull, head of the United States delegation, at the first plenary meeting of the Monetary and Economic Conference, for the lowering of tariff barriers, suggested an incompatibility between the avowed economic policy of the United States and her domestic scheme of rehabilitation.

The Monetary and Economic Conference opened on June 12, 1933. (See sub-section below, "Monetary and Economic Conference"). Difficulties became quickly apparent. The refusal of President Roosevelt, in a message of July 3, to accept an agreement for ultimate stabilization, and the consequent alignment of France

and other countries of the "gold bloc" on the side of stabilization before price-raising, and the United States on "the sound internal economic system of a nation" and price-raising first, brought about an *impasse* which threw the question of monetary agreement into the discard. The President claimed the United States' aim was to seek "the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future." The gold countries subsequently refused to consider the question of restrictions on trade under the conditions of monetary instability then existing. The meagre results of the Conference, which continued discussion on minor points until July 27, were directly due to disagreement on the fundamental points of the Conference *Agenda*: a series of Resolutions were passed; a silver agreement, a result of the Conference, was signed; wheat restriction was unofficially discussed outside the Conference, but no agreement was reached by the time it ended.

No decision on the War Debt question had been reached before the opening of the Conference. A brief statement issued at the Washington Conference by President Roosevelt and the Prime Minister of Great Britain, intimated that "the basis of a clearer understanding" had been laid, but no more official information was given until June 14, the day before the next British and other instalments were due. It was then announced in the British House of Commons that an immediate payment of \$10,000,000, in silver, at a value of 50 cents an ounce would be made "as an acknowledgment of the debt pending a final settlement." In proposing the payment to the United States, Great Britain urged a speedy conclusion, since it affected the problems of the World Conference, stating that "reasons not within the control of either Government" had so far been an obstacle, and noting that "the December payment was accompanied by a sharp fall in prices which was felt in the United States at least as much as in Europe." Payment of the June instalment would imperil the success of the Conference. The United States' answer accepted the token payment, though refusing to concede some of the British arguments; reiterated the President's inability to reduce or cancel, as such power rested with Congress; and accepted the British offer to reopen negotiations for settlement, the results of which could be submitted to Congress at its next meeting. On June 15, when payments by them were also due to the United States, France (on a payment of \$40,000,000), Belgium, Poland, Estonia, Hungary, Lithuania and Yugo-Slavia defaulted; Italy, Czechoslovakia, Roumania and Latvia made part payments and Finland paid in full. A note of June 16 explained the French attitude; indebtedness was formally acknowledged, with the hope that a solution would quickly be found, to maintain the results already achieved largely by the sacrifice by France of the debts due herself; her co-operation in seeking a settlement was assured. In reply the United States Government stated that they "must in all frankness call attention to the problems raised by the failure of the French.

Government to meet the payment due on Dec. 15, 1932, which has not yet been solved or even discussed between the two nations." The decision of Italy to pay \$1,000,000 on the total payment of \$14,000,000 due (on that date) was made by the Fascist Grand Council, on June 12, "in order to show the good-will of the Fascist Government, and, at the same time, the limit set to this good-will in the existing situation"; later, in a Note to the United States, Italy expressed the desire for final negotiations before the next Dec. 15. The United States, in reply, said that they thought that the partial payment made "may be regarded in the United States as unsubstantial and may occasion disappointment on the part of Congress and the people of the United States."

On June 7, 1933, was concluded an agreement between the four Western Powers, known as the "Four-Power Pact," which had been under discussion since Mar. 18. On that day, Signor Benito Mussolini, Prime Minister of Italy, had put before Rt. Hon. Ramsay MacDonald, Prime Minister of Great Britain, and Sir John Simon, Secretary of State for Foreign Affairs, a plan for collaboration on the important European political questions by Great Britain, Italy, France and Germany. The two British statesmen had discussed the question in Paris, Mar. 21, with M. Daladier, President of the Council of France, and M. Paul Boncour, French Minister for Foreign Affairs. Other discussions were held frequently by the representatives of the four Powers in the ensuing weeks. The Agreement was initialled on June 7, 1933, but the signing was deferred until July 17. According to the Pact, the contracting parties, subject to the provisions of the Covenant of the League of Nations, the Locarno Treaties, the Briand-Kellogg Pact, the renunciation-of-force declaration signed under the auspices of the Disarmament Conference, and without prejudice to the rights of every State, undertook: (1) to seek to maintain peace through co-operation with all powers; (2) "to examine between themselves", subject to the rights of decision of the League, all proposals seeking to give due effect to Articles 10, 16 and 17 of the Covenant; (3) to aim at the success of the Disarmament Conference, and if questions particularly concerning them were left unsolved by it, to seek a solution by re-examination among themselves; (4) to consult together on European economic questions with a view to seeking economic restoration "within the framework of the League of Nations." The Agreement was to remain in force for ten years, with provisions for its indefinite prolongation. The plan as initialled and signed represented some changes from its early form. Because of representations from the countries of the Little Entente and Poland, Article 2, which had originally definitely endorsed the principle of peace treaty revision in situations provocative of conflict, was moderated in the sense shown above. Article 3 had, originally, in the event of the Disarmament Conference reaching only partial decisions, ensured the bringing about of the equality of rights accorded to Germany by such stages as the four Powers would decide upon; whereas, through pressure brought to bear by

France, the possibilities of this clause were attenuated; and in Article 4 the Powers had at first more expressly committed themselves to a common line of conduct. In a speech, July 8, welcoming the initialling of the Pact, Signor Mussolini expressed his hope that a better understanding would be developed between France and Italy, and between Germany and France. Germany's adherence to the agreement was a proof of her desire for collaboration. The whole agreement, he said, was intended to realize, more fully than heretofore, the spirit of Locarno and the Convention.

The Monetary and Economic Conference

The World Economic Conference, as it was frequently called, had its origin in an annex of the Lausanne Convention, which was signed on July 8, 1932. It was to be a "conference on monetary and economic questions" and was the instrument to which the signatories delegated the questions they had not settled in the Convention, "the measures necessary to solve the other economic and financial difficulties which are responsible for or may prolong the present world crisis." The conference was to be convoked by the League of Nations; for preliminary examination of questions, there was to be an authoritative committee of experts, two each to be appointed by the Governments of Belgium, France, Germany, Italy, Japan and the United Kingdom. The committee was to divide itself into two sub-committees, one for financial questions, which the Lausanne signatories defined as "monetary and credit policy, exchange difficulties, the level of prices and the movement of capital"; the other sub-committee, for economic questions, involving "improved conditions of production and interchange, with particular attention to tariff policy, prohibition and restriction of importation and exportation, quotas, and other barriers of trade, and producers' agreements." The necessity of restoring the currencies with the resultant abolition of exchange control measures, the removal of transfer difficulties, and the revival of international trade, were emphasized. Two other provisions for the personnel of the Committee were added: that the United States of America should be invited to appoint two representatives, and the Council of the League of Nations, six (three economic experts and three financial); and that the collaboration of the Bank for International Settlements should be sought, two members of which were to sit on the financial sub-committee.

The Preparatory Commission of Experts was set up as a final result of discussions held by the Council of the League of Nations on July 15, and by the Council's Committee of Organization, Oct. 6. Its composition was as had been planned at Lausanne with these differences: that one expert representing the Rapporteur of financial questions to the Council of the League of Nations (Norway) was appointed; and that, by the League's invitation, the International Labour Office appointed three delegates, and the International Institute of Agriculture, one. The six members appointed by the Council were selected from Poland, Switzerland, and Finland for financial questions, and from Czecho-Slovakia, Hungary and the Argentine Republic for economic questions.

The United States in correspondence with Great Britain, through whom the League's invitation to the Conference was sent, stipulated that reparations, inter-governmental debts and specific tariff rates (as distinct from customs policy) should be excluded from the programme, but the problem of silver was to be included among the monetary questions.

The first meeting of the Preparatory Commission of Experts was held at Geneva from Oct. 31 to Nov. 7, 1932. It divided, as the Lausanne Agreement provided, into an Economic Committee and a Financial Committee. Besides examining the questions set forth by the Lausanne Agreement and the

preparation of an annotated *agenda*, the Commission decided that it might be advisable to submit proposals of their own to the Conference. After adjourning in order to allow its members to continue in their own countries the studies and consultations considered essential, a final meeting was held from Jan. 9 to Jan. 19, 1933. At this session the Committee prepared its Report. In its preamble, the gravity of the situation was first discussed: an estimated thirty million of unemployed, according to the International Labour Office; the decline of wholesale prices since October, 1929, by about one-third; the continued accumulation of world stocks of agricultural products and other raw materials; the drastic curtailment of industrial production, and reduction of the international flow of goods, to the extent that the value of world trade in the third quarter of 1932 was only about one-third that of the corresponding period of 1929. Moreover, only a few countries retained free and uncontrolled gold standard currency systems; and disorganization of currency, price declines and the curtailment of trade had added to the problems of indebtedness with which many countries were confronted. While further losses were much to be dreaded, an augury for recovery had been apparent in the improvement visible in security markets in almost every country for several months past.

The Report urged broad measures of reconstruction. Measures of restraint upon business, though necessitated by three years of world-wide dislocation, had nevertheless caused a tension in the field of trade, in international monetary and currency relations and in the world capital markets, where national interests seemed to prevail over the ideal of international co-operation. "If a full and durable recovery is to be effected," the Preparatory Commission said, "this prevailing conflict of national economies must be resolved. . . . In essence the necessary programme is one of economic disarmament. . . . In the movement towards economic reconciliation, the Armistice was signed at Lausanne, the London Conference must draw the Treaty of Peace. Failure in this critical undertaking threatens a world-wide adoption of ideals of national self-sufficiency which cut unmistakably athwart the lines of economic development. . . . The responsibility of Governments is clear and inescapable."

In their "General Programme of the Conference", the second part of the Report, the Commission explained that their programme did not contain the problem of inter-governmental indebtedness, as it lay outside their terms of reference. The settlement of this question, they declared in emphatic terms, was essential in order to "relieve the world of its anxiety concerning the distressing effects of such payments upon financial, economic, and currency stability. . . . Until there is such a settlement, or the definite prospect of such a settlement, these debts will remain an insuperable barrier to economic and financial reconstruction. We, therefore, attach the greatest importance to the early resumption and successful conclusion of negotiations upon this problem." The Commission believed that the close relationship between all the main problems must be taken into account; ". . . the Governments of the world must make up their minds to achieve a broad solution along the whole front. Action in the field of economic relations depends largely upon monetary and financial action and *vice versa*. Concerted measures in both fields are essential if progress is to be made in either."

After emphasizing the importance of preliminary negotiations as a means of promoting the success of the Conference, the Commission summarized the principal questions to be considered: first, the restoration of an effective international monetary standard, each Government to decide upon conditions of acceptance, after the adoption of safeguards to prevent a fresh breakdown secondly, measures to counteract the fall in prices by adopting a general policy of easy money and regulation of exports or production; thirdly, abolition of measures of exchange control, to accomplish which a lasting balance in the budgetary system and a careful examination of the problems of short-term and long-term foreign debts would be necessary; and fourthly, greater

freedom of international trade, by "progressive relaxation and the complete abrogation at the earliest possible date of the emergency measures—prohibitions and quotas—imposed on trade as a result of the crisis" and the moderation and stabilization of tariff policies. The Report then gave the following proposed *Agenda*: (1) Monetary and Credit Policy; (2) Prices; (3) Resumption of the Movement of Capital; (4) Restrictions on International Trade; (5) Tariff and Treaty Policy; and (6) Organization of Production and Trade. Other considerations were presented by the Commission, especially concerning the functioning of the gold standard, as an aid to which the settlement of inter-governmental debts and measures to assist countries with inadequate reserves were considered valuable.

The date of meeting of the Conference was put off for at least three months by a Resolution drafted by the Organizing Committee and adopted, Jan. 26, 1933, by the Council of the League of Nations. This additional time was considered necessary for adequate preparation by the Governments. By the same Resolution Rt. Hon. Ramsay MacDonald, Prime Minister of the United Kingdom, was invited to act as President of the Conference; the Economic and Financial Committees of the League, the International Labour Organization, the International Institute of Agriculture and the Bank for International Settlements were invited to send representatives to act in a consultative capacity. In presenting the Resolution to the Council, Sir John Simon, President of the Organizing Committee, stated that the *Agenda* did not comprise all the matters that would be discussed; "the Conference's first work would, he imagined, be either to approve or amend it." (*The Official Journal*, The League of Nations, February, 1933).

The most ambitious attempt of any single State to initiate pre-Conference discussions was that of the United States. Invitations were sent by the Government during the first week of April, first to Great Britain, to the Prime Minister (Rt. Hon. Ramsay MacDonald), then to the Governments of France, Italy, Germany, Japan, China, Argentina, Brazil, Chile, Mexico and Canada, to confer individually with the United States Government in Washington. The purpose of the President was indicated in his invitation to Mr. MacDonald, as President of the Conference; it stated Mr. Roosevelt's view that "the world situation calls for realistic action." It was officially announced by the United Kingdom Government, after accepting the invitation, that discussions only were contemplated, and that decisions concerning the Monetary and Economic Conference *Agenda* could not, of course, be reached before its Meeting.

The "Washington Conversations," as the meetings became known, opened on Apr. 22, 1933, and continued for several weeks, Mr. Roosevelt conferring separately with the representatives of the invited countries during several days each. Few details of the discussions were made public. Mr. Roosevelt's first meeting was with the British Prime Minister. After issuing a joint communication on Apr. 25, intimating that the debt question had been amicably discussed, Mr. MacDonald and Mr. Roosevelt indicated the next day, in another statement, their unanimity of opinion on the need for co-ordinating action in both the domestic and international fields, for an increase in the general level of prices, moderation of restrictions on commerce, expansion of credit provided by concerted action of the Central Banks, and the re-establishment, "when circumstances permit," of an international monetary standard. All these objectives, they claimed, were regarded by them "with a close similarity of method." The Herriot-Roosevelt statement, issued Apr. 28, showed that the two statesmen were in general agreement on similar points and, in addition, approved public works as a remedy for unemployment and business stagnation and considered methods to improve the status of silver. With the exception that public works were not mentioned, the statement published by Mr. Bennett, Prime Minister of Canada, and Mr. Roosevelt, after their conversations, closely resembled those preceding; in addition, they said: "We have also discussed the problems

peculiar to the United States and Canada. We have agreed to begin a search for means to increase the exchange of commodities between our two countries and thereby promote, not only economic betterment on the North American continent, but also the general improvement of world conditions." Similar statements were issued by the President in conjunction with the representatives of other countries. Mr. Roosevelt gave special expression to his views on May 16 in a Message on political and economic peace, addressed to the Heads of the States who were taking part in the Disarmament and Monetary and Economic Conferences. The work of the latter Conference should, he declared, consist of the establishing of order "by the stabilization of currencies, the freeing of the flow of world trade, and international action to raise price levels." (*The Times*, London, May 17, 1933.)

The United States delegation on Apr. 29, at the Committee of Organization meeting, which decided the date of the Conference opening, proposed that the States should be invited to agree to a Tariff truce under which they would refrain from adopting, before June 12, and during the proceedings of the Conference, new measures which might increase the difficulties then hampering international trade.

The Conference was opened in London on June 12, 1933, by His Majesty. Rt. Hon. Ramsay MacDonald assumed the Presidency in accordance with the previous request of the Council of the League of Nations. Of the sixty-seven States invited to send delegates, sixty-four had accepted the invitation; fourteen of these had acceded to the Tariff truce and forty-seven did so later. After the welcoming address of the King, who appealed to all "to co-operate for the sake of the ultimate good of the whole world," Mr. Ramsay MacDonald spoke. He dwelt on world difficulties and the obstacles that stood in the way of prosperity. M. P. Hymans (Belgium) was appointed Vice-President of the Conference, and a Bureau was set up, composed of representatives of the following countries: Argentine Republic, the United Kingdom, Canada, China, Czecho-Slovakia, France, Germany, Hungary, Italy, Japan, Mexico, The Netherlands, Spain, Sweden, Union of Socialist Soviet Republics and the United States.

Seven plenary meetings were held, June 12-15, during which representatives of thirty-four States spoke. These speeches, in so far as they indicated the policy of the respective Governments of the delegates, showed general agreement with the findings of the Preparatory Commission, varying mainly in emphasis. The British delegation, according to their head, Rt. Hon. Neville Chamberlain, sought these objectives: (1) a recovery in prices, through settlement of reparations and War debts, reforms in exchange and international lending, cheap money, the revival of business confidence and the co-operation of central banks; (2) stability of exchange rates, first by obtaining approximate stability between the principal countries of the world, and secondly, by the restoration of a satisfactory international standard, under certain conditions, namely, a rise in prices, the adjustment of incompatible factors, and the prevention of fluctuations in the purchasing power of gold; (3) abolition of exchange restrictions, a process which would be aided by a rise in prices and the resumption of normal international lending; (4) an increase in the volume of trade, through a reduction of excessive customs tariffs, the latter best achieved by bilateral agreements with the application of the most-favoured-nation clause. The delegation from Great Britain, Mr. Chamberlain added, favoured the regulation of wheat and certain other foodstuffs for the purpose of raising prices; and also the reduction and eventual abolition of shipping subsidies.

Rt. Hon. R. B. Bennett, as spokesman for the Canadian delegation, stated his whole-hearted agreement with the programme of Great Britain; but preferred greater emphasis on certain points: an early, even if only provisional, stabilization of their currencies "in relation to each other" by Great Britain and the United States; in turn, Canada, he stated, would endeavour "to maintain the value of its dollar on a stabilized basis in London and New York . . . ;" the world level of wholesale prices should be raised, mainly

through an easy money policy, increased credit to be made effective by Government initiation of public works. In addition, Mr. Bennett made a special plea for consideration of the wheat situation, and the need for provisional control of production. Mr. Cordell Hull, leader of the United States delegation, urged mainly, cessation of trade barriers, immediate provisional measures for monetary stability, the stimulation of industry and commerce by the nations to obtain a higher price level, and the consideration of a permanent international monetary standard, with the removal of foreign exchange restrictions. M. Daladier, speaking for the French delegation, gave currency stability first place on the programme, and next, agreements between producers; he also spoke in favour of public works on an extensive scale. Signor Guido Jung, Italy, stated his belief in the settling of the "preliminary problem," inter-governmental War debts; the raising of the price level, stabilization of currencies and removal of trade barriers should be solved simultaneously. At the last plenary meeting, the Conference appointed two Commissions, one, Monetary and Financial, and the other, Economic, "in order to pursue a method of work in consonance with the suggestions of the Preparatory Commission of Experts."

The Monetary and Financial Commission, with Hon. James M. Cox, as President, at its meeting on June 16, adopted the draft annotated *Agenda* drawn up by the Preparatory Commission. The Commission then divided into two sub-commissions. Sub-commission I, on "Immediate Measures for Financial Reconstruction," had as its *Agenda*: credit policy, price levels, limitation of monetary fluctuations, exchange control, indebtedness, and resumption of international lending; Sub-commission II, on "Permanent Measures for the Re-establishment of an International Monetary Standard," was to study the functions of central banks, co-ordination of their policies, silver, gold exchange standard and other means of economizing gold, and distribution of monetary reserves. The Economic Commission, under the Presidency of M. H. Colijn (Netherlands), arranged its *Agenda* as follows: (a) commercial policy, involving the normalization of trade, abolition of restrictions, etc.; (b) co-ordination of production and marketing; (c) measures other than customs duties and prohibitions; (d) direct and indirect subsidies (especially shipping subsidies); and (e) public works. The last subject the Commission dealt with itself, appointing sub-commissions to study the other groups.

Discussions mainly on draft resolutions followed in the various sub-commissions. Apparent agreement on ultimate aims only served to emphasize differing views of the means of attainment. An indication of actual United States policy appeared when an agreement reached by the representatives of the Central Banks and Treasuries of the United States, France and Great Britain, concurrently with Conference negotiations, for the temporary stabilization of currency, was submitted to President Roosevelt on June 18. In reply, the United States delegation to the Conference issued a statement (June 22), declaring that the United States Government "finds that measures of temporary stabilization now would be untimely"; because they felt that their (the United States Government) efforts to raise prices "are the most important contribution they can make and that anything that would interfere with these efforts and, possibly, cause a violent price recession would harm the Conference more than the lack of an immediate agreement for temporary stabilization." In a subsequent statement to the Press, Mr. Cordell Hull, leader of the United States delegation, sought to refute what he called "repeated references to the domestic programme of the United States Government and the programme of international co-operation as being irreconcilable." He claimed that "there is no basis and no logic in that thought" and urged support of the attempts of individual countries to bring about "business recovery with full employment at suitable wages and satisfactory price levels." (*The Times*, London, June 26, 1933). The next stage in the search for a stabilization agreement was the drafting of a declaration by the chief "gold" countries (France, Italy, Belgium, Switzerland, and Holland) in which the concurrence of nations, both on and off the gold standard, was

sought. It urged stabilization "as quickly as is practicable," the time at which it would be undertaken and at which parity would be established to be determined by the respective Governments; and it stated the intention of the 'gold' countries to maintain the gold standard "in the interests of world recovery." The President of the United States rejected the declaration "in its present form." His message to the Conference, July 3, criticized the proposal as "a purely artificial and temporary experiment affecting the monetary exchange of a few nations only." "Such action," he added, "such diversion, shows a singular lack of proportion and failure to remember the larger purposes for which the Economic Conference originally was called together." He laid emphasis on the restoration of world trade and the mitigation of exchanges, expressing a preference for the planning of national currencies "with the objective of giving to those currencies a continuing purchasing power which does not vary greatly in terms of the commodities and needs of modern civilization." A statement issued by the United States delegation, July 5, similar in substance, gave the raising of prices first place among problems to be discussed, after which the position of gold and silver might be considered.

By a decision of the Bureau, the next day, after supporting votes from the Commissions, it was decided to proceed with the Conference; but it was found necessary to alter the *Agenda*, as "on account of circumstances which have recently arisen, the countries on the gold standard . . . declare that for the time being it is impossible for them to take part in any discussion of monetary questions." It was decided on July 6 and 11 that the Monetary and Financial Commission would consider: indebtedness (for the time being), the co-operation and creation of Central Banks, silver and, possibly, other subjects; and the Economic Commission: co-ordination of production and marketing, and indirect protectionism.

On July 27, the last day of the Conference, Reports of the Bureau and Commissions, containing resolutions which embodied results of the work were submitted at a plenary session and adopted. Briefly, those of the Monetary and Financial Commission (1) related to indebtedness (with the reservation that inter-governmental debts were outside the field of discussion of the Conference), urging freedom in trade as a means of assisting the debtor country, the fulfilment of contracts, the maintenance of confidence when arrangements were found necessary, and the formation of organizations in the countries concerned to represent the several classes of creditors in respect of foreign loans; (2) advocated the return of monetary stability, with gold as the monetary standard; and resolved that gold was required, not for internal circulation, but as a legal cover for Central Banks and to meet external payment demands "caused by some disequilibrium on the foreign account"; and that a minimum ratio of not more than 25 per cent. gold cover should be sufficient (the Bulgarian delegation made a reservation to this resolution); (3) recommended the establishment of independent Central Banks in those developed countries which lacked such an institution; (4) reaffirmed the great utility of co-operation between Central Banks, with the Bank for International Settlements acting as a greater instrument for common action; (5) declared that the adaptation of the Central Banks of certain agricultural countries to the special economic conditions of these countries, as suggested by the Roumanian delegation, was a matter to be determined according to local conditions, and one that could be considered by the competent international organizations if any countries desired advice (the Yugo-Slav delegation made a reservation thereto); and (6) recommended that an agreement be sought between the countries which were chief producers and holders of silver to mitigate fluctuations in its price; that Governments refrain from making laws which would debase their silver coin below a fineness of 800/1000; and that they substitute silver coins for low value paper currency so far as possible (these provisions to be subject to certain limitations). Another Resolution was considered by the Commission, regarding the general principles of the monetary policy of Central Banks, which the United States delegation alone refused to approve, regarding discussion of the question as premature. Note was also taken of a recommendation that the Bank for Inter-

national Settlements should proceed as soon as possible to a study of the gold exchange standard and should consider means of avoiding defects revealed by this system in the past.

Concerning commercial policy, the Economic Commission reported that discussions had shown that "all delegations are prepared in principle to support the gradual abolition" of restrictions upon the importation of goods subject to certain reservations; but unanimous agreement on the means to be adopted was made impossible by the reservation of liberty of action by several countries in view of the fluctuations of exchange. In considering the co-ordination of production and marketing no "precise and definite" agreements had been reached; the principles on which such agreements should be based had been, however, agreed upon. Recommendations concerning the future study of certain products had also been made.

Emphasis was laid on the value of the discussions which had taken place. The Report of the Bureau said "the ground has to a large extent been cleared and the way prepared for further constructive action." Other Reports adduced similar remarks. A further contribution was made by the United States delegation in the form of a Resolution against new tariff barriers, presented by Mr. Cordell Hull, for consideration during the Recess.

The Conference adjourned on July 27. It entrusted to the Bureau "the task of organizing the work to be carried out by the Committees in preparation for the resumption of the plenary meetings of the Conference and its main Commissions"; the Bureau authorized its chief officers to arrange for resumption of work on the *Agenda* of the Monetary and Finance Commission, and to arrange for the execution of the proposals of the Sub-committees of the Economic Commission and to constitute a sub-committee on Public Works. Indirect Protectionism and the Co-ordination of Production and Marketing were the subjects of the Economic Commission on which work was to continue.

The concluding speeches of several delegates indicated feelings of disillusionment and disappointment; but were, at the same time, hopeful that the discussions would produce results in the future. Their value was especially emphasized by His Excellency M. Georges Bonnet (France), Rapporteur of the Monetary Commission and by Rt. Hon. Walter Runciman (Great Britain), Rapporteur of the Economic Commission. Hon. James M. Cox (U.S.A.) in reviewing the work of the Monetary Commission, of which he was President, stated that the delegates had gained a knowledge of "the actual state of the world's economic and social life" which they had not known before and, although he condemned the "national hermit," he pointed out that the efforts of an individual nation to attain to social order, even though they interfered for the most with international effort, were bound in the end to benefit the world's economic system. H. E., M. H. Colijn (The Netherlands), President of the Economic Commission, said there was "certainly no reason to congratulate ourselves on the results obtained." He feared that reaction to the hopes fostered before the Conference might lead to an aggravation of the situation; he saw, however, a hopeful omen for the future in that "more agreement in principle" had been manifested by the delegates. The conclusion of agreements between Governments must wait for reasonable monetary stability; but, in the meantime, the recommendations of the Commission could be examined with a view to drawing up conventions between, at least, some of the States.

The President of the Conference, Rt. Hon. Ramsay MacDonald, at the conclusion of the delegates' speeches on the Reports, reviewed the work of the Conference and the ultimate results to be hoped for. The Conference, he said, had been unable to finish its work without a recess; nevertheless, hopes had not been destroyed, but postponed. The need for agreement was as great as ever and continued consideration of the subjects dealt with in the Report of the Preparatory Commission was necessary to produce tangible results. Besides the difficulties inherent in the complicated *Agenda* and minor differences of opinion, a currency difficulty had held up the solution of the mone-

tary problem and, hence, of the tariff and other questions connected with it. Mr. MacDonald declared that "there is a way of accommodation between gold standard countries, sterling countries, dollar and other countries, provided each is willing to agree to ratios in international exchange values and to maintain them against market fluctuations which are essentially of the nature of speculations and not of trade requirements." Such an arrangement, he said, could "be made better through the agreements of this Conference than by any other means." Other questions on which he considered that work should be continued were: economic disarmament, the raising of wholesale prices, the value of public works, international debts, and the co-ordination of supply with demand. "We adjourn," he added, "not because we are discouraged, but because the Committee require a little longer time to continue their deliberations and to consider conclusions." Dates could not then be set, but he was convinced that it would not be many months before the delegates would resume their labours. In a message to Mr. MacDonald (read at the Meeting) Mr. Roosevelt proclaimed his admiration for him (Mr. MacDonald) as the presiding officer of the Conference; stated that the knowledge, gained by the nations, of one another's problems would make progress more possible in the future; and, hence, in the belief that the Conference was not a failure, he pledged his Government's "continued efforts towards world rehabilitation."

On July 24, a silver agreement, an indirect result of the Conference, was signed by Conference delegates representing the holders of silver—India, China and Spain—and by delegates representing the chief silver-producing countries. It provided that, for four years, the Governments of India and Spain should sell not more than an agreed amount, that the Government of China should not sell silver from demonetized coins; and that, in return, the Governments of Australia, Canada, the United States, Mexico and Peru should purchase every year, for currency purposes, a stated amount of the silver produced in their mines.

Although wheat was not dealt with officially during the Conference, meetings were held between the representatives of Canada, Australia, the United States and Argentina, seeking agreement on a plan for temporary restriction of wheat supplies in order to raise prices. The four countries later conferred with Danubian wheat-producing countries, with the U.S.S.R. and, finally, with the main importing countries; by the end of the Conference, however, no final agreement had been reached.

A few hours after the close of the Conference a declaration was signed by Empire delegates, Mr. Chamberlain (United Kingdom), Mr. Bennett (Canada), Mr. Bruce (Australia), Mr. Forbes (New Zealand), General Smuts (South Africa), and Sir Henry Strakosch (India). The Declaration was an expression of the united monetary and economic aims of the Empire, in the light of both the Imperial Economic Conference and the Monetary and Economic Conference. They expressed satisfaction with the Ottawa Agreements as a stimulation to Empire and world trade; maintained their stand upon a rise in prices which "could not be effected by monetary action alone." They desired any level which would restore the normal activity of industry and employment, assure an economic return to the producer of primary commodities, and harmonize the burden of debts and fixed charges with economic capacity.

Disarmament Negotiations during 1932-33

In the year that followed the adjournment of the six months' session of the Disarmament Conference (Conference for the Reduction and Limitation of Armaments) on July 23, 1932, attempts to arrive at agreements between the Nations on the principles, as well as the details, of disarmament, continued. On its last day of meeting the Conference had adopted a Resolution approving reduction, by a Convention, primarily of means to attack; this Resolution had been opposed by Germany on the ground that it denied the principle of equality of rights. The demand

of Germany for the recognition of this principle proved the chief complicating factor in the negotiations that followed.

In accordance with the disputed Resolution, the Bureau of the Conference met on Sept. 21, 1932, to consider plans for the resumption of the latter. In the meantime, the position of the German Government had become further clarified. A document presented by them to the French Government on Aug. 29 suggested a discussion between the two Governments. It stated that under their conception of equality of rights, Germany would accept any obligation provided it had a universal application. The French reply proving unamenable to the suggestions, the German Government dispatched a Note to the President of the Disarmament Conference, Mr. Arthur Henderson, stating their country's intention to abstain from attending the session of the Bureau. It was clear, the Note said, that the future disarmament Convention would "fall far short of the system of disarmament laid down by the Versailles Treaty . . ." (*The Monthly Summary of The League of Nations*); until the question of how the future *régime* was to be applied to Germany was answered, "no settlement of individual concrete points of the disarmament problem is possible." The attitude of Great Britain toward the German demand, was expressed in a statement issued just previous to the announcement of Germany's withdrawal; bringing forward the question of equality of status, at that stage, it was felt, was premature. The Government of the United Kingdom was of the opinion that Germany was not legally entitled to abrogate that part of the Treaty of Versailles which placed limitations on her armaments, "by any Disarmament Convention to be concluded or by failure to conclude any Convention at all." General limitation by all was the object of the Convention as conceived by Great Britain. There would then be no distinction of status; and limitations prescribed by existing treaties "save so far as they are modified by mutual consent," would reappear in the compact about to be negotiated. Patient discussion in Conference, the statement concluded, was the only means of attaining this object.

During these few months of trying discussions, public speeches and current writings by the Members of the Governments of their respective countries, played a part in arousing feeling. A speech by General von Schleicher, German Defence Minister, in August, adumbrated reorganization of the German forces; M. Herriot, on Sept. 26, at Gramat, energetically denounced what he termed the militarizing tendencies of the von Papen Government; and Herr von Papen, German Chancellor, on Sept. 27, issued a reply in the form of an interview, denying Germany's intention of rearming, and demanding only that the same principles be applied to Germany as to other countries.

The Bureau meetings during the next few months were occupied with the consideration of the action to be taken on the Resolution of July 23. On Nov. 3, the Armaments Truce, proposed in the Assembly Resolution of Sept. 29, 1931, was renewed for four months from Nov. 1, 1932. France, in stating her agreement, pointed to the fact that one of the countries on her borders (Germany) had not accepted the truce.

At the same time the individual Governments of France and the United Kingdom took a hand in the negotiations. Informal discussions were held between representatives of the two Governments in London on Oct. 13 and 14, after which it was announced that a meeting would be sought between them and Italy and Germany to consider means by which the work of the Disarmament Conference might be resumed. Before this could be done, a Plan of Security and Disarmament was presented by the French Government for the consideration of the Bureau at an extraordinary meeting on Nov. 14, and on Nov. 17 a statement was made by Sir John Simon on behalf of Great Britain. The French *Memorandum* was intended to be an aid to the determination of a system combining previous proposals, in particular those of President Hoover; the aim of the Conference, it stated, should be to strengthen defence by reduction of the forces of aggression; and moreover, apart from a general Convention, a special plan should be drawn up for

Europe. The provisions which should be contained in the Convention, subject to the principles of the Pact of Paris and the League of Nations Covenant were, briefly: the definition of conditions in which each State should have the co-operation of the others; the standardization, to a uniform type, of the defensive forces of European powers; the non-equipment, for attack, of national armies; the maintenance, by each State, at the disposal of the League, of a limited number of well-equipped troops, and stocks of the mobile material forbidden to national armies; regional political agreements to promote the reduction of battle fleets; the retention of the existing relation between naval armaments; the supplying of the League, by each signatory State possessing naval forces, with emergency assistance when called upon; and the creation of a "European Air Transport Union," with the placing of special sea air units at the disposal of the League of Nations and the creation of an international air force composed mainly of the bombing craft forbidden to national forces. The proposals of Great Britain, Sir John Simon stated, were primarily designed to meet Germany's claim to equality of rights. They required, briefly: the affirmation by all European States that they would not resort to force; the meeting of Germany's claims in so far as they would not involve rearmament; the realization that the principle of equality could not be achieved all at once; and the setting up of a Permanent Disarmament Commission. The Government of the United Kingdom, Sir John added, were prepared to discuss: ultimate abolition of military and naval aircraft and of bombing from the air; and international control of civil aviation; they were also favourably impressed by the Hoover proposals in regard to military effectives as a basis for discussion.

Germany's return to the Conference was achieved by a Declaration signed on Dec. 11, 1932, at the conclusion of informal discussions between the Five Powers; her return was on the basis of an admission by Great Britain, France and Italy that a guiding principle of the Conference should be "the grant to Germany and to other Powers disarmed by treaty, of equality of rights in a system which would provide security for all nations." In addition, the four Governments reaffirmed the resolve not to resort to force, and, together with the Government of the United States, declared their resolve to co-operate in the Conference with the other States.

Discussion of the French Plan and of a "programme of work" submitted by the Government of the United Kingdom, occupied the attention of the Bureau and of the General Commission (the constitution of which was provided for by the July, 1932, Resolution) in January and February, 1933. Conflicting opinions prevented agreement, but a new phase appeared with the introduction by Mr. Ramsay MacDonald, Prime Minister of Great Britain, in the General Commission of the Conference on Mar. 16, of a draft Convention. In it, security was based on the provisions of the Pact of Paris. Practical suggestions included the putting of the land forces of Continental Europe on a comparable basis (eight months to be the maximum period of service), according to the following table, with the reservation that figures in respect to the other Parties would be necessary for completion:

	Stationed in Home Country	Total including Overseas		Stationed in Home Country	Total including Overseas
Germany	200,000	200,000	Poland	200,000	200,000
Belgium	60,000	75,000	Portugal	50,000	60,000
Bulgaria	60,000	60,000	Roumania	150,000	150,000
Spain	120,000	170,000	Czechoslovakia	100,000	100,000
France	200,000	400,000	U.S.S.R.	500,000	500,000
Greece	60,000	60,000	Yugoslavia	100,000	100,000
Hungary	60,000	60,000	Each other continental (No separ-		
Italy	200,000	250,000	European State.... ate figure)		50,000
Holland	25,000	75,000			

Besides suggesting limitations for material, the draft Convention stated its object with regard to naval armaments was to extend the Treaty of London to include France and Italy, and to stabilize the remaining naval forces of other Powers at the figures reproduced in the *Armaments Year Book, 1932*,

until the Naval Conference, planned to be held in 1935. A Permanent Disarmament Commission was provided for. Limitations for air armaments included the prohibition of air-bombing and plans for either the complete abolition of naval and military aircraft or determination of the minimum required. The Convention was to remain in force for a few years (with the exception of the naval provisions) and was to replace the provisions of the peace treaties which then limited the armaments of Germany, Austria, Hungary and Bulgaria; before its expiry a new Conference was to be held to determine future arrangements.

The Commission decided, on Mar. 29, to accept the draft Convention as a basis for discussion. During the first reading in May a Message sent by the President of the United States to the Heads of all the States participating in the Monetary and Economic Conference and the Disarmament Conference, expressed agreement with the "MacDonald Plan" as a first step; as a further step, it was proposed that all nations should enter into a pact of non-aggression and reaffirm the obligations which they would have assumed to reduce their armaments. On May 22, Mr. Norman Davis (United States) expressed the willingness of his country to consult with other States "in case of a threat to peace . . .", and if the United States concurred in a judgment against an aggressor State "they would refrain from any action tending to defeat" any collective action taken toward the restoration of peace.

On June 8 the General Commission unanimously decided to accept the draft Convention of Great Britain as a basis for the future Convention. The promise of agreement seemingly contained in this fact faded, for the time being, when on June 27, 1933, it was decided to postpone the second reading and adjourn the work of the Conference until October. The President stated that the preoccupation of Governments with the Monetary and Economic Conference made satisfactory negotiations, at that time, difficult; the German representative, M. Nadolny, opposed adjournment, explaining his Government's preference that the second reading should take place at once; and he suggested that public opinion would not understand an adjournment.

The League of Nations; the Sino-Japanese Dispute

The Thirteenth Ordinary Session of the Assembly of the League of Nations, which was opened on Sept. 26, 1932, by the President-in-Office of the Council, Mr. Eamonn de Valera (Irish Free State), was chiefly one of routine business, as the main international questions of the day were in the hands of various Commissions, Committees and Conferences, most of which had been originated by the League. M. Politis of Greece was elected President of the Assembly. The first country to emerge from a Mandatory *régime*, Iraq was, Oct. 3, admitted by unanimous vote to membership in the Assembly as an independent state. This was the second country on which membership had been conferred during 1932, Turkey having been elected, also by unanimous vote, at a Special Session of the Assembly in July. One of the most important resolutions adopted by the Assembly relative to the various Committee Reports submitted, was that finally committing the League to the abolition of slavery and the slave trade in all its forms throughout the world; the work involved was to be undertaken by a Permanent Slavery Commission. Other resolutions dealt with the nationality of women, the projected Economic and Financial Conference, the subject of Mandates, social and humanitarian problems and budgetary and organization questions. M. Joseph Avenol was named to succeed Sir Eric Drummond as Secretary-General of the League, when the resignation of the latter came into effect (June 30, 1933). The Session was concluded on Oct. 17.

The Report of the League's Commission of Inquiry into the Manchurian situation (Chairman, Lord Lytton), appointed Dec. 10, 1931, was issued in Geneva on Oct. 2, 1932, and its examination was undertaken at the 69th Session of the Council, meeting for discussion of the Sino-Japanese dispute on Nov. 21. The principles laid down by the Commission for the evolution of

any satisfactory *régime* in Manchuria included: consideration for the interests of the Union of Soviet Socialist Republics; conformity with existing multilateral treaties; recognition of Japan's interests in Manchuria; establishment of new treaty relations between China and Japan; and a government in Manchuria with as large a measure of autonomy as was consistent with the sovereignty and administrative integrity of China. As the basic condition underlying these points, the Commission stated that "since the present political instability in China is an obstacle to friendship with Japan and an anxiety with the rest of the world, the final requisite for a satisfactory solution is temporary international co-operation in the internal reconstruction of China." The value of the Report as a contribution to the settlement of the dispute was unfortunately, nullified, to a certain extent, by the action of the Japanese Government in officially recognizing in August (1932) the independent sovereignty of Manchukuo (Manchuria), with the Government of which they signed a treaty a short time later. At the conclusion of the Meeting it was resolved to submit the Report for consideration to the Assembly which met in extraordinary session on Dec. 6. The latter, by resolution adopted on Dec. 9, requested the Special Committee of 19 on the Sino-Japanese dispute to study the Report as well as all opinions expressed in the Assembly and to submit proposals for settlement of the question "at the earliest possible moment". Two draft resolutions and a statement of reasons, forming the basis on which the settlement of the dispute should be worked out, and in which it declared that "a mere return to the conditions previous to September, 1931, would not suffice to ensure a durable settlement, and that the maintenance and recognition of the present *régime* in Manchuria could not be regarded as a solution", were submitted by the Committee to the parties.

On Jan. 21, having received and considered amendments and proposals by the Chinese and Japanese Governments concerning these resolutions, the Committee reported that it was impossible to find a basis acceptable to both parties for the settlement of the dispute. Japan had submitted a complete new set of proposals unacceptable to the Committee, and had, in especial, refused to consider the provision of the latter, to which China attached special importance, that the United States and the Union of Soviet Socialist Republics should participate in the negotiations for a settlement. After further conversations with the Japanese Government, which emphatically stated their conviction that "the maintenance and recognition of the independence of Manchukuo are the only guarantee of peace in the Far East, and that the whole question will eventually be solved between Japan and China on that basis", the Committee again announced that the Japanese proposals did not afford an acceptable basis for conciliation and, on Feb. 24, submitted to the Assembly a Report containing a statement of the facts of the dispute and recommendations for its settlement. The substance of these recommendations were, in the main, those of the Lytton Report, including the condition of the establishment in Manchuria of a Government "under the sovereignty of, and compatible with, the administrative integrity of China"; they also stipulated for the evacuation of Japanese troops from Manchuria, on the assumption that "sovereignty over Manchuria belongs to China". In conclusion, the Report stated that "the recommendations made do not provide for a mere return to the *status quo* existing before September, 1931. They likewise exclude the maintenance and recognition of the existing *régime* in Manchuria . . . being incompatible with the fundamental principles of existing international obligations and with the good understanding between the two countries on which peace in the Far East depends . . . Members of the League . . . will continue not to recognize this *régime* either *de jure* or *de facto*." The Report was adopted by the Assembly with one dissentient vote—that of Japan, whose delegates immediately withdrew from the Assembly—and one absentee state, Siam. On the same day (Feb. 24) the Assembly appointed an Advisory Commission of 21 States in succession to and including the Committee of 19 and the representatives of Canada and the Netherlands, with which the United States and the Union of Soviet Socialist Republics

were to be invited to co-operate. It was resolved that the Assembly should only adjourn instead of closing its Session.

Following close upon the decision of the Advisory Committee to take under consideration the problem of an embargo on arms in connection with the Far Eastern situation, came the announcement on Feb. 27 that the British Government had resolved to refuse to issue licences for export to either China or Japan of any articles mentioned in the terms of the Export Prohibition Order of 1931. As there appeared to be no prospect of international agreement on the matter, however, the embargo was subsequently raised (Mar. 13).

On Mar. 27, Japan gave formal notice of withdrawal from the League, declaring that she had been led to realize "the existence of an irreconcilable divergence of views, dividing Japan and the League on policies of peace, and especially as regards the fundamental principles to be followed in the establishment of a durable peace in the Far East." Under the Covenant of the League, however, this action would not take effect until two years had elapsed.

Meanwhile, a Japanese attack on Shanhaikwan within the Great Wall occurred early in January, 1933, allegedly due to Chinese provocation and resulting in the deaths of thousands of inhabitants. In support of their claim that Jehol was a part of the territories of Manchukuo, combined Japanese and Manchukuo forces, in February, launched an attack on the Province, which they succeeded in occupying by the end of the first week in March. Three months of intermittent fighting followed, hostilities being extended during April into the Province of Hopei, and Japanese troops, on May 22 and 23, advancing upon Tientsin and Peking. On May 31, an Armistice (confined exclusively to military matters) was signed at the front by Chinese and Japanese military authorities, providing for the withdrawal of the Chinese army beyond the line extending from Peking in the direction of Tientsin. The Japanese army were to withdraw voluntarily to the Great Wall and the maintenance of peace and order in the intervening region was to be ensured by the Chinese police authorities.

Another dispute dealt with by the League Council during the year was that arising between the United Kingdom and the Imperial Government of Persia as the result of steps taken by the Persian Government to cancel the concession owned by the Anglo-Persian Oil Company. Through the Council, a provisional arrangement was effected on Feb. 23, 1933, whereby the two parties agreed that the Company should immediately enter into negotiations with the Persian Government, following which a new and satisfactory concession was granted to the Company on Apr. 29.

The Seventeenth Session of the International Labour Conference of the League of Nations was held at Geneva from June 8 to July 1, 1933, attended by members of the Organization representative of 49 States and by four observers on behalf of the United States. The Canadian delegation consisted of the Government representative, Dr. W. A. Riddell, Canadian Advisory Officer, League of Nations, with Pierre Beaulé, President of the Federation of Catholic Workers of Canada, as Advisor; the Employer's representative, Mr. A. R. Goldie, Chairman of the Industrial Relations Committee of the Canadian Manufacturers' Association; and the Worker's delegate, James Simpson, Vice-President, Trades and Labour Congress of Canada.

The Conference dealt with the following subjects: (1) abolition of fee-charging employment agencies (second discussion); (2) invalidity, old age and widows' and orphans' insurance (second discussion); (3) unemployment insurance and various forms of relief for the unemployed; (4) methods of providing rest and alternation of shifts in automatic sheet-glass works; and (5) reduction of hours of work; report of the Tripartite Preparatory Conference. The action of the Conference in connection with the last item on the *agenda* had been a question absorbing much interest in international circles during the year. It had previously been discussed from the angle of a forty-hour week by the Tripartite Preparatory Conference convened for

that purpose by the International Labour Organization. The General Conference, in June, decided that the question required further investigation and followed its customary procedure of placing it on the *agenda* of the 1934 Conference for a second discussion. Resolutions were passed by the Conference requesting consideration of the following questions: safety provisions for building workers, equality of treatment of national and foreign workers, the ratification of the Hours of Work (coal mines) Convention of 1931, organization and co-ordination of national and international public works with a view to combating unemployment, and the steps necessary to place German refugees in different countries in employment.

League of Nations Society in Canada. During the period from May 1, 1932, to June 30, 1933, according to the Report of the General Secretary, ten meetings of the Executive Council of the League of Nations Society in Canada were held, as well as a considerable number of meetings of special committees which had been appointed by the Executive to deal with specific problems. One of the most important of these bodies was the Policy Committee, a Report of which was to be submitted formally by the Executive to the Society. As the work of the Head Office was necessarily restrained during the period under review, no extensive activities in educational and propaganda work were undertaken. Under the auspices of the Society, however, Miss Winnifred Kydd, President of the National Council of Women of Canada, delivered a number of addresses, chiefly throughout Western Canada, during the Autumn of 1932. Much was also accomplished along the lines of personal and broadcast addresses by several of the local branches.

The Report of the Honorary Treasurer, showed that the Society was in a satisfactory financial position with revenues slightly in excess of disbursements. Upon authorization received at the 1932 Annual Meeting in May, the Executive abolished the associate dollar membership, creating a new form of "ordinary" membership for which the fee—two dollars—included the receipt of the Society's quarterly Journal *Interdependence*. At the end of June, 1933, there were 3,771 members and subscribers to the Society, a loss of 1,782 from the total of 5,553 listed at the time of presenting the last Annual Report. Efforts to increase the number of sustaining memberships had not met with success. The total amount received for the sale of League of Nations and International Labour Office publications in 1932 was \$1,736 as against \$883 in 1929; publications in the greatest demand were those of the Economics and Finance Section of the League. Copies of *Interdependence* sold numbered 21,800. During the year the Society took over the Canadian agency for publications of the World Peace Foundation, Boston, and the International Institute of Intellectual Co-operation, Paris. There were 5,401 copies of free literature distributed by the Society during 1932 and the first half of 1933. H. M. Tory, D.Sc., F.R.S.C., was President of the Society during 1932-33. (For the 1932 Annual Meeting of the Society, see *The Canadian Annual Review*, 1932; as the 1933 Annual Meeting was not held until September, it will be covered in the next volume of *The Review*).

The Vickers Affair. On Mar. 11, 1933, six British subjects, Messrs. A. Monkhouse, L. C. Thornton, J. Cushney, W. H. Macdonald, A. W. Gregory and C. de Nordwall, employed by the Metropolitan-Vickers Electrical Company, a British firm, in Moscow, were arrested by the Soviet political police (O.G.P.U.) on a charge of sabotage of electrical machinery. In addition, more than twenty Soviet citizens, also employees of the firm, were arrested. The men had been supplied by the Company, through a technical assistance arrangement with the Soviet Government, to install and start the running of power plant; a similar, previous arrangement of five years duration had been carried out by the Company without evoking complaints. The Soviet Government had also bought power plant from the Company extensively for ten years. British opinion was considerably agitated over the arrests, espec-

ially by the paucity of official information given by the Soviet authorities, by reports of gruelling examinations undergone by the prisoners, and by the recalling of past trials for similar offences, which had allegedly been unfairly conducted.

Upon investigation by the British Foreign Office no details as to charges or trials or reasons for arrest could be obtained for many days. The British Ambassador was then instructed to represent the grave view of the affair taken by the Government and similar representations were made to the Soviet Ambassador in London. Monkhouse and Nordwall were freed on parole after hours of questioning, and some time later the others, with the exception of Macdonald, were released on bail. On Mar. 20 it was announced that the Government had decided to suspend negotiations with the Soviet Government for a Commercial Treaty. Further action by the United Kingdom followed with the presentation in the House of Commons on Apr. 4, of a Bill "to authorize the prohibition of the importation of Russian goods." In moving the second reading, and in order to show that there was reason for anxiety, Sir John Simon, Secretary of State for Foreign Affairs, referred to previous trials in Russia of persons accused of sabotage, pointing out that, according to reports received, a large proportion had been condemned to death, and through "evidence wrung from other persons." The Bill, giving the Government emergency powers to declare a complete or partial embargo on Soviet imports, became law on Apr. 13; and, on the same day, Sir John Simon, made a statement declaring that none of the six engineers had ever been employed, directly or indirectly, with the British Intelligence Service, had ever supplied any information to it or been paid by it in any way; nor had the Metropolitan-Vickers Company ever had any connection with the Service. The trial of the British engineers and others opened on Apr. 12 in Moscow, on an indictment charging them with belonging to counter-revolutionary organizations and of engaging in espionage, sabotage and bribery. The prisoners were not allowed British counsel, but, according to Soviet law practice in such cases, were given counsel nominated from the Soviet College of Juris Consults. According to a "White Paper" published Apr. 10, confessions of sabotage, involving the other British prisoners, were alleged to have been made by Mr. Macdonald and Mr. Thornton. Accordingly, at the beginning of the trial, Mr. Macdonald pleaded "guilty" as did eleven Russians, also on trial. The rest of the British prisoners pleaded "not guilty." Both Thornton and Macdonald denied the depositions made by them, as having been signed under pressure of questioning and false representations made by the Soviet police. A sensational moment was that when a charge was publicly made by Mr. Macdonald, that the trial was a "frame-up constructed on entirely false questions by terrorized Russians" (*The Times*, Apr. 17, 1933).

On Apr. 19, judgment was given; Thornton was sentenced to three years' imprisonment; Macdonald, who, having been in solitary confinement since he was first arrested, had, the previous day, again declared himself guilty, was given two years; Gregory was acquitted and the others expelled from the country. Of the eleven Russian prisoners, ten were found guilty and given sentences of from eighteen months to ten years. Within the day, a proclamation was issued by the British Government under the Act recently passed, prohibiting as from Apr. 26, about 80 per cent. of Russian imports. (The Anglo-Russian Trade Agreement had terminated two days before, and with it, the diplomatic immunity granted to the three chief members of the Soviet Trade Delegation). A counter-embargo was placed by the Soviet on Apr. 26, on imports from Great Britain. The two prisoners were ultimately released on July 1, as a result of negotiations between Sir John Simon and M. Litvinoff, Commissar for Foreign Affairs; on July 3, when this fact was officially announced, it was also stated that the embargoes declared by the two countries had been cancelled. Accordingly, arrangements were made for the continuance of trade negotiations between the two countries, which were resumed on July 10.

Canada's External Relations

The extent of Canada's external relations was reflected in the numerous Treaties, Conventions and Trust Agreements, which were signed by her during the period from July 1, 1932, to June 30, 1933, and some of which were of unusual significance. These were reported by the Secretary of State for External Affairs as follows: a Declaration regarding execution of payments of "non-German reparations", signed at Lausanne on July 7, 1932; an Agreement, abrogating the Protocol signed at London, Aug. 11, 1931, and the Protocol supplementary thereto, signed at Berlin on June 6, 1932, regarding German reparation payments—at Lausanne, on July 9; an Agreement regarding transitional measures relating to Germany—at Lausanne on July 9; a Treaty between Canada and the United States of America, for the purpose of ensuring the completion of the St. Lawrence Waterway project—at Washington on July 18; Trade Agreements between Canada and the United Kingdom, the Irish Free State, the Union of South Africa, and Southern Rhodesia—at Ottawa on Aug. 20; an Exchange of Notes constituting an Agreement between Canada and the United States granting reciprocal "blanket" permission for the period of one year from July 1, 1932, for flights of military aircraft—at Ottawa on Sept. 15-16; Instruments of Ratification by His Majesty's Government in Canada of the International Convention for the safety of life at sea, signed in London on May 31, 1929, and of the International Load Line Convention with final Protocol, signed in London on July 5, 1930, were formally deposited on Oct. 1, 1932; Instrument of Ratification by His Majesty the King, in respect of Canada, of the Convention for limiting the manufacture and regulating the distribution of narcotic goods, and Protocol of Signature, signed at Geneva on July 31, 1931, was deposited with the Secretariat of the League of Nations on Oct. 17, 1932; an Exchange of Notes, constituting an Agreement between Canada and France for the reciprocal exemption of shipping profits from Income tax—at Paris on Oct. 19, 1932; an Exchange of Notes between Canada and the United States, constituting an understanding relating to the effect of the Great Lakes-St. Lawrence Deep Waterway upon the division of the waters of the St. Lawrence at Messena—on Jan. 13, 1933; Instruments of Ratification (Jan. 20, 1933) by His Majesty the King in respect of Canada, of the International Conventions for the amelioration of the condition of the wounded and sick in armies of the field, and relative to the treatment of prisoners of war (signed at Berne on Jan. 29, 1930), were deposited with the Government of the Swiss Confederation, Berne, on Feb. 20, 1933; Instruments of Ratification by His Majesty the King of the Convention for the Suppression of the International Trade in Arms and Ammunition and in Implements of War (signed at Geneva, June 17, 1925)—ratified on Mar. 13, 1933, with the reservation that it should not take effect until ratifications of Austria, Belgium, Czechoslovakia, Germany, Italy, Japan and the United States should become effective; an Exchange of Notes between Canada and the United States, constituting an understanding concerning the diversion of water from Lake Michigan by Chicago for sanitary purposes—on Apr. 5, 1933; a Trade Agreement between Canada and France, signed at Ottawa on May 12; and a Convention between Canada and France, concerning the rights of nationals, and commercial and shipping matters, signed at Ottawa on May 12, 1933. (For further particulars as to Canada's Trade Conventions, see pp. 409-11).

Canada and the United States. The signing on July 18, 1932, of the Treaty providing for the construction of the St. Lawrence Deep Waterway was the outstanding achievement of the Canadian Legation at Washington in 1932-33 (Envoy Extraordinary and Minister Plenipotentiary, Hon. W. D. Herridge, K.C., LL.D.). Other activities were those arising from new legislation passed in the United States Congress affecting Canada, which necessitated numerous discussions between the Legation and United States authorities. The adoption of the Revenue Bill in June, 1932 (see *The Canadian Annual Review*, 1932) was the most important of these; others dealt with merchant shipping (especially the cruising traffic from United States ports), the admis-

sion of alien seamen, banking, fisheries and extradition. During the year the Department of External Affairs (Canada) was regularly supplied with information from the Legation concerning all important developments in that country, such as the unusually large number of individual cases of deportation and rejection, due to the rigid enforcement of immigration laws and regulations at the international boundary; the adoption by the United States authorities of restrictions on the admission of Canadian medical graduates who desired to continue their training in United States hospitals, which were modified following representations by the Legation; and the activity in connection with the extradition of fugitives, Customs seizures, matters relating to veterans, tariff inquiries and many other questions.

Following the resignation from office of Hon. Hanford MacNider, United States Minister to Canada, on Sept. 1, 1932, the position remained vacant for some months, Pierre de L. Boal, first Secretary of the United States Legation, acting as *Chargé d'Affaires* in the interval. In this capacity he officiated at the opening of the new United States Legation at Ottawa on Nov. 18. On Mar. 4, 1933, the appointment of Warren Delano Robbins, Chief of Protocol of the United States Department of State, was finally ratified by the United States Senate. The new Minister presented his credentials to His Excellency the Governor-General and was formally installed in office on May 16. Shortly afterward, accompanied by his wife, Mr. Robbins left for England to attend the Monetary and Economic Conference in London.

Canadian emigrants to the United States were affected by several Amendments to the Immigration Act of 1924 of that country, enacted in July, 1932. These included regulations requiring aliens entering the United States, in certain instances, to give a bond ensuring that at the expiration of the time prescribed, or upon failure to retain the status upon which admitted, they would depart from the United States; applying the definition of non-immigrant aliens to those coming under the provision of a treaty of commerce and navigation; and providing that the alien husband of a United States citizen by a marriage occurring prior to July 1, 1932, should be entitled to non-quota status, and by marriage occurring on or after July 1, 1932, to preference status only, at the same time removing the previous requirement that the United States citizen petitioner should be 21 years of age or over in petitioning for an alien husband entitled to preference status.

Changes in United States import duties affecting Canada, proclaimed as effective under the United States Tariff Commission during the period 1932-33 (July, 1932-June, 1933) included 10 decreases on such goods as infants' unembroidered wool jersey outerwear, alsimin, ferrosilicon aluminum and ferro-aluminum silicon, gelatin and glue of animal origin, sheepswool sponges, plain-back, twill-back, crude sperm oil, spermaceti wax, hay forks, 4-tined manure forks, other agricultural forks, hoes and rakes and parts thereof. Increased duties were also declared in 10 cases as follows: infants' unembroidered wool outerwear, knit or crocheted, except jersey, prism binoculars, upholsterers' nails, thumb tacks, etc., folding rules of aluminum and of wood, cotton velvets other than upholstery velvets and cotton velveteens, cocoa-fibre mats, and boots, shoes or other footwear having fabric uppers and rubber soles, or wholly in india rubber.

Attended by thousands of people from all parts of Canada and the United States, the dedication ceremonies of the International Peace Garden, extending over 3,000 acres between the Province of Manitoba and the State of North Dakota, and established in commemoration of the 100 years of peace between the two nations, as well as to foster peace among all nations of the world, were held on July 14, 1932. On a memorial cairn erected on the international boundary line in the Turtle Mountains was inscribed a solemn pledge by the two nations that they would never take up arms against each other.

Canada and Other Countries. The Canadian Legation at Paris, with Hon. Philippe Roy as Minister Plenipotentiary, reported that activities during 1932 had not been confined solely to Franco-Canadian affairs, but also devoted to those of interest to Canada in other parts of the Continent.

Members of the Legation represented Canada at the Conference for the Limitation and Reduction of Armaments at Geneva; the Conference on Reparations and non-German Reparations at Lausanne; the International Telegraphic and Radio Telegraphic Conferences at Madrid; and a Conference on Customs Facilities for Motor Tourists. Reports were made during the year to the Department of External Affairs (Canada) on the foreign policy, foreign commerce, the budget, elections, and financial situation of France, the Danubian States, customs and quota regulations, commercial negotiations between France and other countries, and the market for Canadian wheat in France. Consideration was also given by the Legation to the following important matters, amongst others: disarmament, reparations and the Bank of International Settlements; negotiations with the French Government following the termination of the Convention of Commerce between Canada and France; the reciprocal exemption of shipping profits from income tax; importation into France of Canadian apples and salmon; double taxation of Canadian companies in France; French import quotas and customs duties on Canadian products; depreciated currency surtax; settlement of estates of deceased Canadian residents in France; International Air Navigation Commission; and importation of narcotics.

The personnel of the French Legation in Canada included M. Charles Arsène-Henry, Envoy Extraordinary and Minister Plenipotentiary, and Count Jean de La Grèze, Secretary. M. Henry, as representative of the French Government, signed, on behalf of his country, the Franco-Canadian Commercial Treaty of May 12, 1933.

Special attention was given during 1932 by Canada's representatives to the introduction of Canadian wheat into the Far East, according to the summary given by the Department of External Affairs of the activities of the Canadian Legation at Tokyo, headed by Hon. Herbert M. Marler, Envoy Extraordinary and Minister Plenipotentiary. Two difficulties met with in this regard were the cheapness of Australian wheat due to the exchange differential and the continued sale by the United States Reconstruction Finance Corporation of Government wheat on long term credit. Due to representations by the Legation, a proposal by the Japanese Government to place a duty on feed wheat was withdrawn, thus allowing Canada to continue to supply a good share of this market. The total value of new business, effected through the Legation, amounted to nearly two and a half million dollars. Commodities successfully introduced were newsprint, rubber gloves, elastic webbing, macaroni, dried onions, wallboard, and papermakers' felts.

A monthly review of trade and economic factors was prepared by the Legation and was sent to various trade and daily newspapers in Canada with a view to supplying information to Canadian exporters regarding conditions which should be recognized in trading with the Far East. In addition to this, monthly reports on economic and political developments in Japan and Manchuria and reports on economic, commercial, and tariff questions were submitted. A special report on Canadian trade prospects in China, Manchuria and Japan was made and a report on Formosa was in the course of preparation. Comprehensive statistical analyses of the trade of the Far East were also being prepared, and it was announced that a trade office had been opened at Dairen. Other questions receiving the careful attention of the Legation during the year included: the Agreement respecting exemption of Canadians from Japanese *visa* requirements; the returns and remittances arising out of the Seal Fisheries Agreement; Japanese land, probate and nationality laws; Canadian nationality, naturalization and domicile, and statistics of the admission of Japanese immigrants to Canada; aviation and trans-pacific flights; the presentation by the Japanese Society of Vancouver to the people of Japan of a memorial plaque in memory of Japanese soldiers killed in action while serving in the Canadian Forces during the Great War 1914-18; the granting of licences permitting Canadian physicians to practice in the Japanese Empire (Formosa); representation of Canada at the International Women's and Children's Exhibition, 1933; Canadian press organization in the Far East; and the registration of Canadians residing in the Japanese Empire.

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By

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- Russenholt, Edgar Stanford, Comp. and Ed.** Six Thousand Canadian Men; being the history of the 44th battalion Canadian Infantry, 1914-1919. xii, 364p. front. pl. ports. maps. 24cm. Winnipeg, De Montfort Press, for the Forty-fourth Battalion Assoc.
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- Amy, William Lacey (Luke Allan, pseud.)** The End of the Trail; by Luke Allan. 320p. Toronto, Musson.
- Amy, William Lacey (Luke Allan, pseud.)** The Many Coloured Thread; by Luke Allan. 320p. London, Jenkins.
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- Curwood, James Oliver, 1878-1927.** Philip Steele de la Police Montée; tr. par Louis Postif. (Les meilleurs romans étrangers). 221p. Paris, Hachette.

- Day, Frank Parker, 1881—.** John Paul's Rock. viii, 242p. il. N.Y., Minton Balch.
- De la Roche, Mazo, 1885—.** Lark Ascending. 303p. Toronto, Macmillan.
- Douglas, Lloyd Cassel, 1877—.** Forgive Us Our Trespasses. 369p. London, Cassell.
- Fraser, Annie Ermatinger, d. 1931?** The Drum of Lanoraye; a narrative of the days of Talon, the Great Intendant. 308p. Toronto, Ryerson.
- Fripp, Edward Fitz-Gerald.** The Outcasts of Canada; Why Settlements Fail, a True Record of 'Bull' and Bale-Wire. 333p. London, Blackwood.
- Gabriel, Gilbert Wolf (Gilly Bear, pseud.)** 1890-1, James Lewis. 334p. N.Y., Doubleday Doran. (Based on an Expedition to Vancouver Island, 1810-11, of the Tonquin, a J. J. Astor fur-trading venture).
- Gordon, Charles William (Ralph Connor, pseud.) 1860—.** The Arm of Gold. 314p. 19cm. Toronto, McClelland & Stewart.
- Leacock, Stephen Butler, 1869—.** Afternoons in Utopia; Tales of the New Time. vii, 240p. London, Lane.
- Leacock, Stephen Butler, 1869—.** The Dry Pickwick and Other Incongruities. v, 271p. London, Lane.
- Massey, Ruth (Mrs. H. Tovell).** The Crime in the Boulevard Raspail. 318p. Edinburgh, Nelson.
- Middleton, Jesse Edgar, 1872—.** Green Plush. 250p. London, Methuen.
- Ostenso, Martha, 1900—.** Prologue to Love. 265p. N.Y., Dodd Mead.
- Street, A. G.** Farmer's Glory. 312p. London, Faber.
- Sullivan, Edward Alan (Sinclair Murray, pseud.) 1868—.** Antidote. 332p. London, Murray.
- Zehnder, Meinrad.** On Broken Crutches, a psychological novel. 469p. pl. Toronto, the Author.

Boys' and Girls' Books

- Amoss, Harry.** Canadian Neighbourhood. 208p. il. pl. Toronto, Ryerson.
- Carter, Mrs. Mary (Duncan) 1896—.** The Story of Money; with a preface by Professor Stephen Leacock and illustrations by Allan McNab. xv, 71p. il. Toronto, Oxford.
- Dalglish, Alice, 1893—.** Relief's Rocker; a story of Sandy Cove and the sea; pictures by Hildegard Woodward. 6, 62p. il. N.Y., Macmillan.
- McEwen, Jessie Evelyn. (Agnes Fisher, pseud.)** The Blue Fly Caravan; by Agnes Fisher. 148p. il. Toronto, Nelson.
- Rasmussen, Knud Johan Victor, 1879—.** Ed. The Eagle's Gift; Alaska Eskimo tales; tr. by **Isobel Hutchinson**; il. by Ernst Hansen. xiv, 235p. front. pl. map. Garden City, N.Y., Doubleday Doran.
- Rorke, Louise Richardson.** Lefty, a Story of a Boy and a Dog. ix, 165p. il. Toronto, Nelson.
- Skinner, Constance Lindsay.** Debby Barnes, Trader; il. by John Rae. vi, 244p. front. il. N.Y., Macmillan.
- Thompson, Dora Olive.** Nancy Rose. 256p. il. London, Religious Tract Soc.
- Wallace, Archer, 1884—.** Mothers of Famous Men; tr. by **Mary Lin** and **Margaret H. Brown**. 113p. port. 19cm. Shanghai, China, Christian Literature Society.

CANADIAN OBITUARY FOR 1932-33

(July 1 to Dec. 31, 1932)*

- Bain, K.C., James William**, senior partner of the legal firm of Bain, Bicknell, White and Bristol, Toronto,—at Muskoka, Ont., on July 17, aged 60 years.
- Barrow, Rev. Gore Munbee**, Principal of Lake Lodge School, Grimsby, Ont.; formerly officer in the Imperial Army,—at Grimsby, Ont., on July 5, aged 55 years.
- Belcourt, LL.D., K.C., Hon. Napoléon Antoine**, Member of the Senate of Canada, 1907-1932; Speaker of the House of Commons, 1904-06; formerly owner and Editor of *Le Temps*, Ottawa,—at Blue Sea Lake, Que., on Aug. 7, aged 71 years.
- Bell, M.A., Ph.D., Andrew James**, Professor *Emeritus* of Victoria College of the University of Toronto,—at Toronto, on Dec. 24, aged 74 years.
- Berthiaume, Arthur**, President and Managing-Director of *La Presse*, Montreal, 1915-1932,—at Montreal, on July 19, aged 58 years.
- Bethune, Alexander Bernard**, journalist; one of the founders of *The Winnipeg Tribune* and a former Director of *The Globe*, Toronto,—at Montreal, on Dec. 19, aged 77 years.
- Bicknell, K.C., Alfred**, senior partner of the legal firm of Bicknell, Cameron, Begg and Chisholm,—at Toronto, on Oct. 26, aged 62 years.
- Blow, M.D., C.M., W. A.**, a former Member of the Alberta Legislature for South Calgary,—at Vancouver, B.C., on Dec. 27.
- Bonnar, K.C., Robert Andrew**, criminal lawyer of Manitoba; member of the firm of Bonnar, Hollands and Philp,—near Headingly, Man., on Aug. 13, aged 72 years.
- Borden, D.S.O., Colonel Allison H.**, organizer and first Overseas Commander of the Nova Scotia Highland Brigade,—at Kentville, N.S., on July 19, aged 54 years.
- Bourret, Monsignor J. E.**, Honorary Vicar-General of Nicolet, Que.,—at Quebec, on Sept. 21, aged 73 years.
- Bowman, Charles Martin**, Chairman of the Board of Directors of the Mutual Life Assurance Company of Canada, 1926-1932; President of the Colonization Finance Corporation of Canada, Limited, and Director of the Dominion Agricultural Credit Company; Member of the Ontario Legislature for North Bruce, 1898-1919, and Ontario Liberal Whip, 1902-1919,—at Kitchener, Ont., on Oct. 24, aged 69 years.
- Brown, M.Sc., Frederick Baylis**, consulting engineer; formerly associated with the Angus Shops Power Plant of the Canadian Pacific Railway Company and with the construction and development of the Beauharnois Power Plant,—at Lac Ouareau, Que., on Aug. 6, aged 50 years.
- Burn, Sir George**, Honorary President of the Canadian Bankers' Association; General Manager of the Bank of Ottawa (defunct), 1880-1917,—at Ottawa, on Dec. 5, aged 85 years.
- Callahan, Joseph D.**, Statistician of the Canadian Pacific Railway Company,—at Montreal, on Dec. 5, aged 53 years.
- Campbell, K.C., David**, legal arbitrator and Mayor of St. Boniface, Man.,—at Regina, on Aug. 25, aged 62 years.

*NOTE.—See page 535 for Obituary from Jan. 1 to June 30, 1933.

- Cooke, Edmund Vance**, poet and lecturer,—at Cleveland, Ohio, on Dec. 18, aged 66 years.
- Corbett, Monsignor George**, Honorary Vicar-General of the Diocese of Alexandria of the Catholic Church,—at Cornwall, Ont., on Nov. 15, aged 88 years.
- Côté, Louis Euclide**, Chief Engineer of the Federal Department of Marine,—at Ottawa, on Sept. 26.
- Curran, Robert**, Mayor of Orillia; founder of the Curran and Briggs General Contracting Company; and formerly Editor of *The Orillia News Letter*,—at London, England, on Sept. 27, aged 65 years.
- Delaney, William P.**, District Secretary-Treasurer (Glace Bay, N.S.), and a former Vice-President of the United Mine Workers of America,—*en route* to New York, on Aug. 2.
- Dick, Alexander F.**, publisher of *The Banner and Times*, Brampton, Ont.,—at Brampton, on July 21, aged 68 years.
- Dixon, K.C., Miles B.**, Clerk of the Executive Council of New Brunswick, 1917-31,—at Fredericton, N.B., on Aug. 9, aged 83 years.
- Drysdale, B. D., Rev. Andrew Wishart**, Chaplain of Immigration of the Port of Montreal of the Presbyterian Church in Canada and former Missionary for the United Church of Scotland in Algeria,—at Montreal, on Oct. 13, aged 53 years.
- Dupuis, Joseph Odilon**, one of the founders of Dupuis Frères Limitée, Montreal departmental store,—at Montreal, on July 15, aged 81 years.
- Duverger, Lieut.-Col. Henry**, O.C., 65th Regiment during the Great War; Montreal Manager of George H. Hees and Company Limited, dry goods manufacturers,—at Montreal, on Nov. 18, aged 69 years.
- Eedy, John Wolfe**, formerly publisher and Editor of *The Journal-Argus*, St. Mary's, Ont., and at one time a Director of the Canadian Press Association,—at St. Mary's, on Sept. 27, aged 77 years.
- Elliot, K.C., Hume Blake**, a former Deputy Registrar of the Surrogate Court in London, Ont.,—at London, on Aug. 6, aged 76 years.
- Evans, John**, a member of the Faculty of the Ontario Agricultural College, 1902-27,—at Guelph, Ont., on Dec. 3, aged 73 years.
- Evans, M.A., LL.B., William Watson**, President and Managing-Director, Canadian General Securities Limited; President of Canadian General Investments Limited,—at Toronto, on July 30, aged 42 years.
- Ferrier, M.A., Russell T.**, Superintendent of Indian Education, Department of Indian Affairs, Ottawa,—at Ottawa, on July 27.
- Fessenden, Reginald Aubrey**, inventor and pioneer in the development of the radio telephone,—at Hamilton, Bermuda, on July 22, aged 65 years.
- Fields, Ph.D., F.R.S., F.A.A.S., John Charles**, Research Professor of Mathematics of the University of Toronto; President, International Mathematical Congress, 1924; President of the Royal Canadian Institute, 1919-25,—at Toronto, on Aug. 9, aged 69 years.
- Findlay, William**, President of Lord and Thomas Advertising Agency of Canada, and Vice-President of the same firm in the United States,—at Toronto, on Aug. 9, aged 56 years.
- Fleck, James Gordon**, President of Alexander Fleck, Limited, Ottawa,—at Ottawa, on Oct. 2, aged 71 years.
- Forbes, K.C., James Gordon**, formerly County Court Judge of Saint John, N.B. (for 20 years),—at Toronto, on Oct. 21, aged 96 years.
- Fraser, Archibald**, President of Fraser Companies Limited and Director of the Royal Bank of Canada,—near Nictau, Victoria County, N.B., on Oct. 11, aged 63 years.

- Fraser, Lieut.-Col. J. Z.**, a former President of the United Farmers' Co-operative Company and of the United Farmers' Publishing Company; and one of the founders of the United Farmers of Ontario,—at Brantford, Ont., on Nov. 23, aged 77 years.
- Gariépy, Monsignor Charles N.**, formerly Rector of Laval University, Quebec,—at Quebec, on July 29, aged 64 years.
- Gilmour, David G.**, President and Managing-Director of the D. G. Gilmour Lumber Co., Ottawa; member of the famous Ottawa "Silver Seven" hockey team,—at Mullin's Lake, Que., on Sept. 27, aged 49 years.
- Girouard, D.S.O., K.C.M.G., Brig.-Gen. the Hon. Sir Edouard Percy Cranwill**, officer in the Soudan Campaign, the South African and the Great Wars; Director of the Soudan Railways, 1896-98; President of the Egyptian Railway Board, 1898-1900; for several years Director and President of the Railways of South Africa; Governor of the Protectorate of Northern Nigeria, 1908-09; Governor and Commander-in-Chief of British East Africa, 1909-12; Director-General of Munitions Supply for the British Forces, 1915-16,—at London, England, on Sept. 26, aged 65 years.
- Gourlay, Robert Sloane**, formerly General Manager of Mason, Risch and Newcombe, piano manufacturers, and later, head of the firm of Gourlay, Winter and Leeming; President of the Canadian Manufacturers' Association, 1912; and Board of Trade representative on the Toronto Harbour Commission, 1911-24,—at Toronto, on Nov. 29, aged 80 years.
- Gregory, K.C., Lieut.-Col. Charles Ernest**, General Counsel for the Saskatchewan Grain Growers' Association and for the Canadian National Railways; officer of the Great War,—at Regina, on Sept. 2, aged 67 years.
- Guérin, M.D., C.M., LL.D., James John Edmund**, Minister without Portfolio for the Province of Quebec, 1897-1905; Mayor of Montreal, 1910-11; Liberal Member of the House of Commons for St. Ann, 1925-30; and for many years Professor of Clinical Medicine at the University of Montreal,—at Montreal, on Nov. 10, aged 76 years.
- Guertin, O.M.I., Rev. Arthur**, Professor of English and of French History at the University of Ottawa, 1917-1932,—at Ottawa, on July 23, aged 64 years.
- Hanna, Charles E.**, Mayor of Belleville, 1921-22; Liberal Member of the House of Commons, 1924-25; for many years President of the Retail Merchants' Association of Canada,—at Belleville, Ont., on Oct. 10, aged 49 years.
- Harcourt, M.A., K.C., Harry Richard**, Liberal Member of the Ontario Legislature for Monck, 1878-1908; Provincial Treasurer of Ontario during the Mowat and Hardy Administrations; and later, Minister of Education in the Cabinet of Hon. George W. Ross,—at Welland, Ont., on Nov. 28, aged 86 years.
- Hawkins, Sergeant-Major William A.**, crack rifle-shot, eight times a member of the Canadian Bisley Team, winning the King's Prize and Gold Medal in 1913 and the Prince of Wales prize in 1927,—at Toronto, on Oct. 27, aged 48 years.
- Haydon, Hon. Andrew**, Member of the Senate of Canada, 1924-1932,—at Ottawa, on Nov. 10, aged 65 years.
- Hitchcock, Arthur**, owner and Manager of the first bank in Moose Jaw, 1890-1925,—at Moose Jaw, Sask., on Sept. 9, aged 70 years.
- Hodgins, I.S.O., LL.D., K.C., Hon. Frank Egerton**, Judge of the Appellate Division of the Supreme Court of Ontario for twenty years,—at Toronto, on Sept. 18, aged 78 years.
- Houston, Robert**, member of the editorial staff of *The Colonist*, Victoria, for a quarter of a century,—at Victoria, B.C., on Sept. 22, aged 76 years.
- Inwood, Frederick George**, a former Liberal organizer for the Province of Ontario and General Secretary of the Ontario Liberal Association; Past High Chief Ranger of the Independent Order of Foresters,—at Toronto, on Oct. 26, aged 78 years.

- Jamieson, (Mrs. Norman) Nina Moore**, writer and poet, special contributor to *The Mail and Empire*, Toronto, for many years,—at St. George, Ont., on Nov. 6, aged 47 years.
- Joliffe, Ph.D., Richard Orlando**, Head of the Latin Department of Queen's University, Kingston,—at Kingston, Ont., on Dec. 15, aged 56 years.
- Kent, William George**, formerly President and General Manager for many years of the Armstrong Cork and Insulation Co. Ltd., Montreal; prominent sportsman and Mason,—at Montreal, on Nov. 27, aged 64 years.
- Law, R.N., Commander Frederick Wilfred**, served with the British Navy for 30 years; Commander of one of the mystery ships during the Great War,—at Toronto, on Sept. 25, aged 51 years.
- LeMessurier, Ernest**, a partner in the advertising firm of Stevenson and Scott Limited, Montreal; newspaper cartoonist; a former staff artist of *The Evening Telegram*, Toronto, and later connected in a similar capacity with *The New York Journal* and *The New York Sun*,—at Montreal, on Oct. 27, aged 38 years.
- Lewis, (Miss) Winifred Miriam**, Nurse-in-charge of the Clarence House Hospital in London during the Great War; member of the Executive Board of the Women's Canadian Historical Society of Ottawa,—at Ottawa, on Dec. 12.
- Lord, James Simpson**, Conservative Member for Charlotte County of the New Brunswick Legislature, 1925-30,—at Deer Island, N.B., on July 8, aged 57 years.
- Lordly, V.D., F.S.E., Lieut.-Col. Henry Robertson**, civil engineer; member of the Canadian Militia under three branches: the Infantry, the Engineers and the Corps de Guides; and an officer of the Great War,—at Montreal, on Oct. 4, aged 62 years.
- Lyon, Laurance**, distinguished journalist and author; for a number of years on the editorial staff of *The Globe*, Toronto; owner and Editor-in-Chief of the British weekly, *The Outlook*, 1916-19; Conservative Member for Hastings of the British House of Commons, 1918-21,—at Montreal, on Nov. 11, aged 57 years.
- Macdonald, R.C.A., O.S.A., J. E. H.**, Principal of the Ontario College of Art, 1929-1932, and one of the founder members of the "Group of Seven,"—at Toronto, on Nov. 26, aged 58 years.
- MacKenzie, Francis James Anderson**, real estate and insurance agent; Member for Delta of the British Columbia Legislature, 1909-20; Provincial Organizer of the Conservative Party, 1931-32,—at New Westminster, B.C., on July 6, aged 59 years.
- Mackenzie, William Alexander**, founder of W. A. Mackenzie and Company Limited, investment bankers; Advisor to the Dominion Government in connection with the Great War and post-War financing,—at Toronto, on Nov. 5, aged 59 years.
- MacTavish, B.D., Ph.D., Rev. William Sharpe**, writer and Presbyterian clergyman,—at Belleville, Ont., on Oct. 4, aged 74 years.
- Maloney, John**, General Chairman of the Brotherhood of Railroad Trainmen, 1910-1932,—at Ottawa, on Aug. 2, aged 67 years.
- Manson, Michael**, Member for Comox of the British Columbia Legislative Assembly, 1909-16, and for Mackenzie, 1924-1932; a former sheep farmer and master mariner,—at Bella Coola, B.C., on July 12, aged 75 years.
- McAvity, Lieut.-Col. James Lupton**, Director of T. McAvity and Sons, Limited (manufacturers), of the New Brunswick Telephone Company and of the New Brunswick Power Company; Commanding Officer of the 26th Battalion during the Great War,—at Saint John, N.B., on Nov. 1, aged 65 years.
- McKeown, D.C.L., K.C., Hon. Harrison Andrew**, Chairman of the Board of Railway Commissioners, 1924-31; a former Chief Justice of the King's Bench Division of the Supreme Court of New Brunswick,—near Hillandale, N.B., on July 10, aged 69 years.

- McLean, Angus Ethelbert**, Vice-President and General Manager of the Bathurst Power and Paper Company Limited; and Director of the New Brunswick Telephone Company Limited,—at Bathurst, N.B., on Nov. 17, aged 41 years.
- McLaughlin, K.C., Robert James**, member of the law firm of McLaughlin, Johnston, Moorhead and Macaulay, Toronto; Director of the Macmillan Company of Canada,—at Sturgeon Point, Ont., on Sept. 8, aged 72 years.
- McMullen, D.D., Rev. W. T.**, Moderator of the General Assembly of the Presbyterian Church in Canada, 1888, and Rector of Knox Presbyterian Church in Woodstock for 46 years,—at Woodstock, Ont., on Oct. 1, aged 101 years.
- Meagher, Q.C., K.S.G., Hon. Nicholas Hogan**, Judge of the Supreme Court of Nova Scotia, 1890-1916,—at Halifax, N.S., on Aug. 26, aged 89 years.
- Mercier, François-Xavier**, concert singer; a former tenor soloist with the orchestra of Sir Henry Wood and founder of L'Institut d'Art Vocal, Quebec,—at Quebec, on Dec. 22, aged 64 years.
- Moorhead, F.R.C.S., Dr. Andrew S.**, staff surgeon of Wellesley Hospital, Toronto; a former member of the Medical Faculty of the University of Toronto; served with the Royal Army Medical Corps during the Great War,—at Toronto, on July 30, aged 55 years.
- Morphy, K.C., Hugh Boulton**, Conservative Member for North Perth (Ontario) in the House of Commons, 1911-21, Crown Attorney for the County of Perth, 1930-32,—at Listowel, Ont., on Sept. 23, aged 72 years.
- Morrison, M.R.A.I.C., F.I.S.A., J. Melrose**, architect, of Saskatchewan; member of the London (England) Architectural Association,—at Saskatoon, on Aug. 10, aged 65 years.
- Murphy, K.C., William K.**, head of the law firm of Murphy, Donald and Claridge, Toronto, and a Bencher of the Law Society of Upper Canada,—at Toronto, on Oct. 4, aged 42 years.
- Murray, John Archibald**, sportsman and actor; Sports Editor of *The Leader-Post*, Regina, 1925-1932; formerly on the staff of *The Manitoba Free Press*,—at Regina, on Aug. 14, aged 33 years.
- Mustard, Ph.D., Litt.D., Wilfred Pirt**, Professor of Latin at Johns Hopkins University, Baltimore, 1907-32; formerly on the staff of Colorado College, Colorado, and later on that of Haverford College, Pennsylvania; a Corresponding Fellow of the Royal Virgilian Academy of Mantua, Italy,—at Toronto, on July 30, aged 68 years.
- Newhall, (Mrs.) Georgina Alexandrina Fraser**, journalist: first editor of the Woman's Page of the *Toronto News* (defunct),—at Calgary, on Nov. 11.
- Nichols, Frank W.**, lawyer, and Mayor of Digby, N.S., 1918-21,—at Digby, on Nov. 12, aged 59 years.
- Noble, Dr. John**, well-known physician of North York, Ont.,—at Sutton, on Nov. 13, aged 102 years.
- Norwood, D.D., Rev. Robert**, poet, preacher and author,—at New York, on Sept. 28, aged 58 years.
- O'Leary, (Hon.) Lieut.-Col. Richard**, extensively engaged in the lumbering and shipping industry of the Maritimes; Vice-President of the New Brunswick Telephone Company,—at Richibucto, N.B., on Sept. 27, aged 68 years.
- Orde, K.C., Hon. John Fosbery**, Justice of the Court of Appeal of the Supreme Court of Ontario 1923-1932,—at Toronto, on Aug. 1, aged 62 years.
- Parker, Bart., P.C., D.C.L., Litt.D., LL.D., Rt. Hon. Sir Gilbert**, Canadian novelist, poet and essayist; Member of the House of Commons (Great Britain) for Gravesend, 1900-18; organizer of the first Imperial Universities Conference in London, England; Chairman of the Imperial South African Association, 1903-11,—at London, England, on Sept. 6, aged 72 years.

- Parsons, Silas Richard**, Chairman of the Board of Directors of the British American Oil Company; President of the Canadian Manufacturers' Association, 1917,—at Toronto, on Aug. 27, aged 78 years.
- Partridge, Lieut.-Col. Frank**, President of the Crescent Iron and Wire Works, Kingston; in command of the 47th Regiment, 1923-27; served Overseas during the Great War with the 77th Battalion,—at Kingston, Ont., on Dec. 21.
- Patterson, Hon. William**, Judge of the Supreme Court of Quebec, 1929-1932; author of the text-book, *Handbook on Commercial Law*,—at Montreal, on Nov. 11, aged 61 years.
- Pérodeau, Hon. Narcisse**, Minister without Portfolio and Leader of the Legislative Council for the Province of Quebec; Lieutenant-Governor of Quebec, 1924-29,—at Montreal, on Nov. 18, aged 81 years.
- Phelan, Thomas Patrick**, President of the Canada Railway News Company,—at Toronto, on Aug. 9, aged 80 years.
- Phillips, Francis George Bernard**, news editor of *The Montreal Star*; formerly telegraph editor of *The Globe*, Toronto, and city editor of *The Ottawa Free Press*,—at Montreal, on Dec. 8, aged 47 years.
- Phippen, K.C., Frank Hedley**, senior partner in the law firm of Phippen and Phippen, Toronto; Judge of the Appeal Court of Manitoba, 1906-09; General Counsel for the Canadian Northern Railway, 1909-18,—at Toronto, on Nov. 9, aged 70 years.
- Plant, Francis Joseph**, Chief of the Labour Intelligence Branch, Federal Department of Labour,—at Ottawa, on Oct. 24, aged 69 years.
- Preston, F. M.**, City Engineer and Water Commissioner for Victoria, B.C.,—at Victoria, on Dec. 2, aged 50 years.
- Prevost, Colonel Hector**, served in the Riel Rebellion, in the French Foreign Legion and during the Great War, and was Aide-de-Camp to two Governors-General of Canada, Lord Stanley and Lord Aberdeen,—at Montreal, on Oct. 25, aged 76 years.
- Richter, John**, President of the London Life Insurance Company, 1928-1932, and of the Ontario Loan and Debenture Company, 1931-1932,—at London, Ont., on Oct. 11, aged 78 years.
- Robertson, Dr. Edward Archibald**, Chief Examiner of the Board of Pension Commissioners in Montreal; served as Captain with the Army Medical Corps during the Great War, 1915-18,—at Montreal, on Oct. 20, aged 64 years.
- Robinson, James**, Member of the House of Commons for Northumberland, 1896-1904,—at Newcastle, N.B., on Oct. 17, aged 80 years.
- Rose, George Maclean**, President and Manager of the Hunter-Rose Printing Company, 1904-30,—at Toronto, on Dec. 29, aged 67 years.
- Ross, Hon. James Hamilton**, Member of the Senate of Canada, 1904-1932; formerly Commissioner of the Yukon Territory, 1901-02, and first Member of the House of Commons for the Yukon, 1902-04,—at Victoria, B.C., on Dec. 14, aged 76 years.
- Scott, (Miss) Mary McKay**, President of the Ottawa Branch of the Y.W.C.A. for a number of years, and delegate in 1910 to the World Conference of the Y.W.C.A. at Berlin,—at Ottawa, on Oct. 23, aged 81 years.
- Segsworth, Robert F.**, head of the law firm of Segsworth and McKee; Director of Dome Mines Limited at South Porcupine; and interested in the development of other Ontario mines,—at Toronto, on Dec. 18, aged 65 years.
- Sifton, John Wright**, Secretary-Treasurer of *The Winnipeg Free Press*,—at Winnipeg, on Nov. 15, aged 46 years.
- Simms, Lieut.-Col. George A.**, Assistant Bursar of Loyola College, Montreal; served with the Imperial Army in two Egyptian campaigns, in the Boer War and in the Great War,—at Montreal, on Dec. 31, aged 60 years.

- Smith, Hon. Vernor Winfield**, Minister of Railways and Telephones for the Province of Alberta, 1921-1932,—at Edmonton, on July 19, aged 68 years.
- Smyth, O.B.E., Col. W. R.**, Supervisor of Colonization for the Government of Ontario; Member of the House of Commons for East Algoma, 1908-16; officer in the Great War,—at Ottawa, on Sept. 7, aged 75 years.
- Snell, Lieut.-Col. Herbert**, Vice-President and General Manager of the Robert Simpson Company, Montreal, Limited; Member of the Board of Governors of McMaster University, Hamilton; twice mentioned in despatches during the Great War,—at Montreal, on Nov. 12, aged 52 years.
- Snider, (née Mary Dawson), Mrs. C. H. J.**, journalist; contributor to *The Evening Telegram*, Toronto, for many years; President for two terms of the Toronto Branch of the Canadian Women's Press Club,—at Toronto, on Sept. 5.
- Steele, J. Gordon**, first Comptroller-General of Manitoba, 1915-19,—at Kansas City, U.S.A., on Oct. 19.
- Stewart, Dugald**, a former Member of the House of Commons for Lunenburg, N.S.,—at Bridgewater, N.S., on Nov. 7.
- Stewart-Patterson, Edward Lloyd**, writer and authority on banking practices and foreign exchange; Superintendent of the Eastern Townships branches of the Canadian Bank of Commerce, 1916-28,—at Toronto, on Sept. 4, aged 63 years.
- Thompson, (Chevalier) John Enoch**, former Consul for Spain (Toronto) for 37 years; for many years engaged in real estate and insurance business,—at Toronto, on Nov. 29, aged 86 years.
- Thornton, Charles J.**, Member of the House of Commons for Durham, 1908-17,—at Orono, Ont., on July 2, aged 83 years.
- Tison, R. A.**, Deputy Registrar of the Bankruptcy Court and Deputy Prothonotary of the Superior Court of Quebec; formerly Editor-in-Chief of *The Canada Gazette*,—at Montreal, on Nov. 15.
- Todd, Hon. Irving Randell**, Member of the Senate of Canada, 1918-1932, and President of The New Brunswick and Canada Railroad Company since 1919,—at Milltown, N.B., on Dec. 27, aged 71 years.
- Turnbull, Thomas**, pioneer of railway construction in Western Canada; Chief Maintenance-of-Way Engineer of the Canadian National Railways, 1919-31,—at Winnipeg, on Sept. 14, aged 75 years.
- Valiquet, Dr. M. Ulric**, French representative on the Medical Advisory Staff to the Board of Pension Commissioners for Canada; served with the Canadian Army Medical Corps during the Great War,—at Ottawa, on Nov. 21, aged 51 years.
- Walker, James Robert**, President of J. R. Walker and Company Limited, manufacturers; Mayor of Westmount, Que., for two years,—at Montreal, on Dec. 28, aged 82 years.
- Welch, D.C.L., LL.D., Rev. E. A.**, formerly Provost of Trinity College, and later Rector of St. James' Cathedral, Toronto,—at London, England, on Aug. 6, aged 72 years.
- Wickett, Samuel Robert**, President of Wickett and Craig Limited, tanners and leather manufacturers,—at Toronto, on Oct. 30, aged 88 years.
- Wickett, Thomas H.**, President and Director of the Midland Loan and Savings Company,—at Port Hope, Ont., on July 1, aged 72 years.
- Wilcox, Venerable Archdeacon Noel Howard**, Archdeacon of Halifax and Rector of Christ Church (Church of England), Dartmouth,—at Dartmouth, N.S., on July 26, aged 42 years.
- Willoughby, LL.B., K.C., Hon. Wellington Bartley**, Leader of the Conservative Party in the Senate of Canada, 1929-32 and Member of the Senate since 1917,—at Moose Jaw, Sask., on Aug. 1, aged 73 years.
- Young, Charles Warburton**, well-known artist of animal and insect life; formerly connected with the Animal Health Branch of the Dominion Government,—at Vancouver, B.C., on Nov. 14, aged 66 years.

(Jan. 1 to June 30, 1933)

Allan, Alexander Macdonald, well-known horticulturist, represented Canada at many international exhibitions; founder of the British Columbia Fruit Growers' Association,—at Toronto, on May 3, aged 88 years.

Allison, George Barber, President of the Packard (Montreal) Motor Company Limited, Just Motors Limited, and Automotive Equipment Company Limited,—at Westmount, Que., on May 7, aged 53 years.

Anglin, P.C., LL.D., G.C.S.G., K.C., Rt. Hon. Francis Alexander, Chief Justice of the Supreme Court of Canada, 1924-33,—at Ottawa, on Mar. 2, aged 67 years.

Armstrong, M.D., LL.D., Colonel George Eli, *Emeritus* Professor of Surgery at McGill University and formerly Chief Surgeon at the Royal Victoria Hospital, Montreal; Consulting Surgeon to the Canadian Army Medical Corps in England during the Great War; a former President of the Canadian Medical Association and of the American College of Surgeons,—at Montreal, on May 25, aged 79 years.

Barnjum, Frank J. B., prominent lumberman of Annapolis, N.S., active in furthering the movement for forest conservation,—at Paris, France, on Feb. 20, aged 74 years.

Bélanger, Florestine (Mrs. Leopold Fortier), well-known singer,—at Montreal, on Jan. 1, aged 55 years.

Benson, Ernest William, formerly head of Benson and Company Limited (defunct) of Quebec, lumber exporters, and owner of large timber tracts throughout Northern Quebec and Newfoundland,—at Westmount, Que., on Jan. 14, aged 86 years.

Bergevin, Hon. Achille, a former Member of the Legislative Council and Legislative Assembly of Quebec,—at Montreal, on Apr. 16.

Blatchford, Kenneth A., a former Mayor of Edmonton and Member of the House of Commons for Edmonton East,—at Edmonton, on Apr. 20.

Bole, David Wesley, Liberal Member of the House of Commons for Winnipeg, 1904-11; formerly President of the National Drug and Chemical Company,—at Winnipeg, on June 24, aged 77 years.

Bridges, LL.D., Hedley V. B., Principal of the Provincial Normal School, Fredericton, N.B., for 26 years; President of the Associated Alumni of the University of New Brunswick, 1928-30,—at Fredericton, on Mar. 11, aged 70 years.

Bruce, Callum John, Member for Queen's County in the Prince Edward Island Legislature, 1928-1933, and a farmer and fox breeder of Vernon River,—at Charlottetown, on May 26, aged 47 years.

Bureau, K.C., Hon. Jacques, Liberal Member of the Senate of Canada, 1925-1932, and a former Minister of Customs and Excise in the Cabinet of Rt. Hon. W. L. Mackenzie King, 1921-25; Solicitor-General, 1907-11, during the Administration of Sir Wilfrid Laurier,—at Montreal, on Jan. 23, aged 72 years.

Butler, LL.B., Matthew Joseph, Deputy Minister of Railways and Canals for the Dominion, 1905-09; a former Chairman of the Board of Management of the Canadian Government Railways; General Manager of the Dominion Iron and Steel Corporation, 1910-13, and at one time President of the Canadian Society of Civil Engineers,—at Sydney, N.S., on June 22, aged 76 years.

Campbell, O.B.E., V.D., Col. Henry Montgomery, organizer of the 64th Battalion (New Brunswick) of the Great War,—at Fredericton, N.B., on Jan. 19, aged 74 years.

Campbell, John Lorne, Secretary of the Wholesale Lumbermen's Association; the first Mayor of Melita, Man.—at Toronto, on Apr. 2, aged 77 years.

- Cayley, Thomas Merritt**, Independent-Liberal Member of the House of Commons for South Oxford, 1926-1933,—at Norwich, Ont., on May 30, aged 54 years.
- Chown, D.D., LL.D., Rev. Samuel Dwight**, General Superintendent of the Methodist Church in Canada, 1910-25,—at Toronto, on Jan. 30, aged 79 years.
- Cloutier, Monsignor Omer**, Prothonotary Apostolic and Honorary Vicar-General of the Diocese of Quebec,—at Quebec, on Feb. 22, aged 66 years.
- Cormier, Maximilian D.**, Conservative Member of the House of Commons for Restigouche-Madawaska, 1930-1932; Mayor of Edmundston, N.B., for several terms; and a former President of the Union of Canadian Municipalities,—at Edmundston, on Jan. 14, aged 54 years.
- Coté, Arthur Paul**, Editor of *La Presse*, Montreal, for 35 years,—at Montreal, on Feb. 16, aged 65 years.
- Crawford, Ph.D., Alexander Wellington**, writer, and Professor of English at the University of Manitoba, 1909-30,—at Hamilton, Ont., on May 3, aged 66 years.
- Criddle, Norman**, Officer-in-Charge of the Dominion Entomological Laboratory at Treesbank, Man., 1914-1933,—at Brandon, Man., on May 4, aged 58 years.
- Cronyn, K.C., Hume**, formerly President of the Huron and Erie Mortgage Corporation; Unionist Member of the House of Commons, 1917-21, and a Member of the Duncan Royal Commission investigating the condition of the coal industry in Nova Scotia in 1925,—at London, Ont., on June 19, aged 68 years.
- Daniel, M.D., M.R.C.S., Lieut.-Col. Hon. John Waterhouse**, Member of the Senate of Canada, 1921-1933,—at Saint John, N.B., on Jan. 11, aged 87 years.
- Darby, William James**, Treasurer of *The Mail and Empire*, Toronto, and a member of the staff for 50 years,—at Toronto, on Apr. 16, aged 67 years.
- Davidson, Thomas S.**, a former Member of the Ontario Legislature for North Brant,—at Paris, Ont., on June 6.
- Davison, James Henry**, President of The William Ewing Company Limited, seed merchants,—at Montreal, on Mar. 27, aged 89 years.
- Dobie, D.D., Very Rev. George Nelson**, Dean of the Church of England Diocese of Qu'Appelle, Sask., 1922-1933,—at Regina, Sask., on Apr. 3, aged 69 years.
- Drum, C.B.E., M.D., Colonel Lorne**, Director-General of the St. John's Ambulance Association; Assistant-Director of Medical Services (C.E.F.) (in England) during the Great War, 1916-18; served as Medical Officer during the South African War,—at Winnipeg, Man., on Apr. 15, aged 61 years.
- Eaton, Mrs. Timothy, (née Margaret Wilson Beattie)**, wife of the founder (deceased, 1907) of the T. Eaton Company Limited,—at Oakville, Ont., on Mar. 18, aged 91 years.
- Eckhardt, William Henry Alexander**, formerly Secretary of the Montreal Postal Service; Military Attaché on the staff of Lord Lorne when the latter was Governor-General of Canada,—at Montreal, on Feb. 23, aged 76 years.
- Edwards, Alexander H.**, formerly Managing-Director of the Canada Lumber Company, Carleton Place, Ont., and later partner in the Williams-Edwards Lumber Company, Ottawa,—at Carleton Place, on Apr. 12, aged 84 years.
- Ellis, Charles S.**, a former Director of P. W. Ellis, wholesale jewellers, and of the Omega Watch Company of New York,—at Toronto, on Feb. 1, aged 72 years.
- Esplen, Archibald**, a former Member of the Manitoba Legislature for Dauphin,—at Dauphin, on June 13.

- Ewart, K.C., LL.D., John Skirving**, authority on constitutional law and author of many legal works; Counsel for the Roman Catholics in connection with the Manitoba School Question (1890-96); Vice-President, Canadian Bar Association, 1896; Chief Canadian Counsel, North Atlantic Fisheries' Arbitration at the Hague, 1910,—at Ottawa, on Feb. 21, aged 83 years.
- Fisken, John Kerr**, Second Vice-President of the Mutual Life Insurance Company, Waterloo, Ont.; and founder of the financial firm of John Fisken and Company,—at Toronto, on May 13, aged 82 years.
- Forsyth, M.A., D.C.L., Ven. David**, Archdeacon of Chatham, N.B., of the Church of England, 1908-32,—at Chatham, on Jan. 23, aged 87 years.
- Fortin, Hon. Thomas**, Judge of the Superior Court of Quebec, 1901-20, and Professor of Municipal and Civil Law at McGill University, 1888-1920; Member of the House of Commons for Laval, 1896-1901,—at Ste. Rose, Que., on Mar. 31, aged 79 years.
- Fraser, M.D., LL.D., Donald B.**, physician and medical scientist; discoverer of an antidote for carbolic poisoning,—at Stratford, Ont., on Jan. 17, aged 84 years.
- Frink, James Henry**, a former Provincial Commissioner of Public Works; Mayor of the City of Saint John, N.B., for several terms; Fuel Administrator for the Province under the Dominion Government during the Great War,—at Saint John, N.B., on Feb. 28, aged 75 years.
- Galt, John**, President of the Canadian Indemnity Company; a former President for many years of the Union Bank of Canada (defunct); founder of the Blue Ribbon Company,—at Victoria, B.C., on Apr. 9, aged 76 years.
- Gardiner, (Miss) Ella**, Bachelor of Arts, University of Toronto (1885); Principal of Albert College, Belleville, Ont., for 43 years,—at Hamilton, Ont., on June 16, aged 73 years.
- German, K.C., William Manley**, prominent criminal lawyer and Liberal Member of the House of Commons for Welland, 1891-92, and 1900-25,—at Welland, Ont., on Mar. 31, aged 81 years.
- Gilmour, M.R.C.S., L.R.C.P., Lieut.-Col. Charles Hawkins**, surgeon; served in the Great War, being twice mentioned in despatches,—at Toronto, on Apr. 20, aged 53 years.
- Godin, K.C., Eugene H.**, head of the legal firm of Godin, Dussault, Cadotte and Lafontaine, Montreal; Military Service Registrar for the Province of Quebec during the Great War,—at Montreal, on Mar. 19, aged 68 years.
- Grant, K.C., Hon. David Inglis**, Justice of the Court of Appeal of the Supreme Court of Ontario, 1927-1933,—at Toronto, on Jan. 1, aged 60 years.
- Guertin, K.C., C. A.**, prominent lawyer and a former Syndic of the Bar of Montreal,—at Montreal, on Apr. 30, aged 63 years.
- Hanson, B.C.L., Lieut.-Col. A. C.**, a former Assistant Crown Prosecutor of St. Francis, Que., and officer in the Great War,—at Brome-Missisquoi, Que., on May 30, aged 63 years.
- Harley, K.C., Edmund**, Senior Registrar at Osgoode Hall, Toronto, 1923-33,—at Toronto, on Mar. 4, aged 69 years.
- Hayes, William Henry**, General Manager of the Maritime Telegraph and Telephone Company, 1922-1933,—at Halifax, N.S., on Jan. 21, aged 63 years.
- Henderson, T. A.**, General Manager and Vice-President of the National Drug and Chemical Company of Canada, Limited,—at Montreal, on June 19, aged 62 years.
- Henderson, William V.**, Acting President of the Beaver Oil Company; owner of two King's Plate winners and other racing horses,—at Montreal, on Apr. 29.
- Hogan, M.D., C.M., F.A.C.S., M.R.C.S., Lieut.-Col. Edward Vincent**, formerly Professor and head of the Department of Surgery at Dalhousie University; officer in the Great War,—at Halifax, N.S., on Jan. 20, aged 58 years.

- Humphreys, William S.**, formerly News Editor of *The Family Herald and Weekly Star*, Montreal,—at Montreal, on Feb. 15, aged 83 years.
- Huston, Samuel W.**, Member of the Saskatchewan Legislature for Battleford,—at North Battleford, on May 25.
- Hutchinson, James**, Member of the firm of Riddell, Stead, Graham and Hutchinson, chartered accountants, Montreal; President of the Association of Chartered Accountants of Montreal, 1919,—at Montreal, on Feb. 18, aged 59 years.
- Jarvis, Murray McLean**, amateur sportsman, and Manager of the Casualty Department of the insurance firm of C. E. L. Jarvis and Son, Limited, Saint John,—at Saint John, N.B., on Jan. 16, aged 54 years.
- Justin, B. F.**, Judge of the County Court of Peel, Ont., 1916-32,—at Brampton, Ont., on Jan. 31, aged 75 years.
- Lapalice, Ovide Michel Hengard**, archivist, historian and genealogist,—at Montreal, on May 8, aged 68 years.
- Lennox, Edward James**, architect and designer of many of the important buildings of Toronto, including the City Hall, "Casa Loma" and the Bank of Commerce Building,—at Toronto, on Apr. 16, aged 78 years.
- Lindsay, D.S.O., C.B., C.M.G., M.E.I.C., Maj.-Gen. William Bethune**, organizer of the first Canadian Divisional Engineers of the Great War and Chief Engineer to the Canadian Army Corps, 1916-18,—at Toronto, on June 27, aged 52 years.
- Llwyd, Very Rev. John Plummer Derwent**, Dean of Nova Scotia and a former Vice-Provost of Trinity College of the University of Toronto,—at Halifax, N.S., on Feb. 22, aged 71 years.
- Loblaw, Theodore T.**, founder and President of Loblaw Groceries Company Limited; philanthropist,—at Toronto, on Apr. 2, aged 60 years.
- Logie, C.B., V.D., Maj.-Gen. the Hon. William Alexander**, Justice of the High Court Division of the Supreme Court of Ontario 1919-1933; Commandant of Military District No. 2 (Toronto) during the Great War,—at Toronto, on June 6, aged 67 years.
- Lyon, James Walter**, pioneer in the development of the hydro-electric power in Ontario; formerly head of The World Publishing Company,—at Guelph, Ont., on May 26, aged 85 years.
- Macnab, Charles R. S.**, formerly County Clerk and Magistrate of Carleton Place, Ont., for many years,—at Ottawa, on Feb. 4, aged 91 years.
- Matthews, Wilmot Love**, President and General Manager of the Canada Malting Company Limited; associated with the Consolidated Mining and Smelting Company; Director the Dominion Bank and of other financial and industrial organizations; and officer in the Great War,—at Hamilton, Bermuda, on May 3, aged 55 years.
- McAvity, George**, President of T. McAvity and Sons Limited, Saint John, N.B., 1910-1933; and of the Inglewood Pulp and Paper Company,—at Saint John, on Apr. 25, aged 79 years.
- McCart, W. J.**, wholesale fruit merchant and a former Member of the Ontario Legislature for Stormount County,—at Cornwall, Ont., on June 3, aged 65 years.
- McClenahan, Dr. Daniel Alexander**, Provincial Medical Health Officer for the district of Hamilton, Ont., for 20 years,—at Hamilton, on Mar. 4, aged 66 years.
- McGregor, Lieut.-Col. Walter Leishman**, Vice-President of L. A. Young Industries of Canada Limited, of the Border Cities Hotel Company Limited, and other industrial organizations; President of the Canadian Chamber of Commerce, 1931-32,—at Windsor, Ont., on Apr. 21, aged 58 years.
- McMaster, K.C., Arthur Carson**, senior member of the law firm of McMaster, Montgomery and Fleury, Toronto; Counsel for the Toronto Harbour Commission, 1911-1932; Vice-President of the North American Life Insurance Company,—at Toronto, on Mar. 26, aged 65 years.

- McMillan, K.C.M.G., LL.D., Hon. Sir Daniel Hunter**, Lieutenant-Governor of Manitoba, 1900-11; at the time of his death, Vice-President of the Great West Life Assurance Company and Director of the Toronto General Trusts Corporation; Veteran of the Fenian Raid, 1866, and of the Northwest Rebellion, 1885,—at Winnipeg, on Apr. 14, aged 87 years.
- Millar, Major Willis Norman**, formerly Professor in the Forestry Department of the University of Toronto and connected with the Dominion Forestry Department; Secretary and one of the founders of the International Alumni Association,—at Bloomington, Indiana, on June 28.
- Milne, M.D., George Lawson**, formerly Medical Officer and Immigration Agent, with control of Chinese Immigration (under the Dominion Government), for British Columbia,—at Victoria, B.C., on Mar. 13, aged 82 years.
- Moore, William Arthur**, city editor of *The Standard*, St. Catharines, for 19 years,—at St. Catharines, Ont., on June 17.
- Murphy, C.S.B., Rev. Vincent J.**, Treasurer-General of the Basilian Order of the Catholic Church,—at Montreal, on Mar. 28, aged 55 years.
- O'Gorman, O.B.E., Major the Rev. Dr. Joseph J.**, eminent priest of the Catholic Church, educationist and linguist; served with distinction as Overseas chaplain during the Great War,—at Ottawa, on Apr. 25, aged 49 years.
- O'Hearn, K.C., Walter J.**, Judge of the County Court of Halifax and formerly Attorney-General of Nova Scotia,—at Halifax, N.S., on May 3.
- Oliver, P.C., LL.D., Hon. Frank**, Minister of the Interior for Canada during the Laurier Administration, 1905-11; Member of the House of Commons, 1896-1917; founder, and publisher until 1923 of *The Edmonton Bulletin*; Member of the Board of Railway Commissioners, 1923-28,—at Ottawa, on Mar. 31, aged 79 years.
- Orr, M.B., L.S.A. (London, Eng.), Rowland B.**, Director of the Provincial Museum in the Normal School, Toronto, for 20 years; a former President of the Ontario Historical Society,—at Toronto, on May 28, aged 81 years.
- Paradis, Hon. Philippe Jacques**, Member of the Senate of Canada since 1927; Chief Liberal Organizer for the Province of Quebec, 1908-31, and Member of the Quebec Legislative Council, 1917-27; at the time of his death, Director of the Quebec, Chibougamou and Saguenay Railway Company and of the Beauharnois Power Company,—at Quebec, on June 20, aged 64 years.
- Pelissier, K.C., Jean Louis Ernest**, lawyer and former Batonnier of the Montreal Bar,—at Montreal, on Feb. 19, aged 68 years.
- Pentland, William J.**, founder and President of the Dominion Stores Limited; formerly General Superintendent of the Atlantic and Pacific Tea Company in the United States,—at Toronto, on Feb. 25, aged 50 years.
- Perdue, Hon. William Egerton**, Chief Justice of the Court of Appeal of Manitoba, 1918-29,—at Winnipeg, on Jan. 17, aged 82 years.
- Ponton, K.C., Major Richard Douglas**, Judge of the County Court for Victoria and Haliburton, Ont.; officer in the Great War,—at Belleville, Ont., on May 13, aged 42 years.
- Price, Grenville Carson**, member of the legal firm of Price, Cochrane and Company,—at Toronto, on Feb. 17, aged 42 years.
- Ratcliff, Frederick Leslie**, President of the Ratcliff Paper Company Limited and Director of the Canadian National Exhibition,—at Toronto, on May 8, aged 61 years.
- Réaume, M.D., Joseph Octave**, Registrar for the County of Essex, 1914-33; Minister of Public Works for Ontario (Whitney Government), 1905-14,—at Windsor, Ont., on June 12, aged 76 years.
- Ritchie, Harold F.**, President of the Harold F. Ritchie Company, selling agents of Scott and Bowne Limited, of the Pompeian Company, and of International Proprietaries Limited (formerly J. C. Eno, Limited) and of Thermogene Limited,—at Toronto, on Feb. 22, aged 52 years.

- Russell, R.C.A., George Horne**, landscape artist and portrait painter; President of the Royal Canadian Academy of Arts, 1922-26,—at St. Stephen, N.B., on June 25.
- Rutherford, James H.**, formerly editor and proprietor of *The Times*, Owen Sound, Ont.,—at Owen Sound, on Mar. 7, aged 72 years.
- Rutherford, Maj.-Gen. R. W.**, served in the North West Rebellion of 1885; District Officer Commanding at Halifax, 1908-17,—at Kingston, Ont., on Jan. 5, aged 75 years.
- Rykert, A. F.**, formerly Member of the Ontario Legislature for North Wentworth,—at Dundas, Ont., on May 30.
- Ryrie, James**, formerly President of Ryrie-Birks Limited and one of the founders of the original firm; Director of the Imperial Life Assurance Company and of other organizations; a member of the Senate and Board of Governors of McMaster University, Hamilton,—at Oakville, Ont., on June 7, aged 79 years.
- Savoie, Joseph**, Member of the Quebec Legislative Assembly for Nicolet, 1917-33,—at Sherbrooke, Que., on Feb. 4, aged 60 years.
- Smith, Mrs. Ralph (née Mary Ellen Jackson)**, Member of the British Columbia Legislative Assembly, 1918-28, and a former Minister without Portfolio in the Provincial Government; reputed to be the first woman to hold Cabinet rank in any Government in the British Empire,—at Vancouver, B.C., on May 3, aged 72 years.
- Spotton, H. B.**, well-known educationist; the first Principal of Harbord Collegiate, Toronto, and a former member of the Senate of the University of Toronto,—at Galt, Ont., on Feb. 24, aged 88 years.
- Stewart, M.D., George David**, head of the Department of Surgery at the University of New York and formerly President of the New York Academy of Medicine and of the American College of Surgeons,—at New York, on Mar. 9, aged 69 years.
- Strath, Daniel**, Liberal Member of the Saskatchewan Legislature for Happyland,—at Sceptre, Sask., on May 11.
- Tardiff, Lieut.-Col. Victor**, Officer in the Great War, owner of Imprimerie Modèle and Mayor of Chateauguay, Que., 1922-23,—at Ste. Agathe des Monts, on Mar. 10, aged 58 years.
- Therrien, C. E.**, Sheriff of Sherbrooke, Que., and a former Member of the Quebec Legislative Assembly,—at Montreal, on Feb. 7.
- Thompson, Phillips**, journalist, contributor to *The Globe*, Toronto, for many years, under the *nom de plume* of "Jimuel Briggs"; held editorial positions successively on *The Evening Telegram*, *The Mail and Empire*, *The Boston Traveller* and *The Globe*,—at Oakville, Ont., on May 20, aged 88 years.
- Thornton, K.B.E., M.Inst., C.E., Sir Henry Worth**, formerly President and Chairman of the Board of Directors of the Canadian National Railways,—at New York, on Mar. 14, aged 61 years.
- Wainwright, W. A.**, Assistant Chairman of Canadian Pacific Steamships Limited; formerly Director of Ocean Transport for the United Kingdom Government,—at Montreal, on May 7, aged 62 years.
- Walker, C.M.G., I.S.O., William Henry**, Assistant Under-Secretary of State for External Affairs for Canada,—at Ottawa, on Apr. 26.
- Walsh, Michael James**, founder and President of the insurance brokerage firm of M. J. Walsh and Son, Montreal; a former Member for St. Ann of the Quebec Legislative Assembly,—at Montreal, on May 2, aged 73 years.
- Wanless, Sir William James**, distinguished surgeon and medical missionary of India for 30 years; founder of the Presbyterian Hospital at Miraj, India,—at Glendale, California, on Mar. 3, aged 67 years.
- Warner, D. W.**, a former Member of the House of Commons for Strathcona,—at Edmonton, Alta., on May 14.

- Washington, K.C., Stephen Frederick**, senior member of the legal firm of Washington, Martin, Bowlby and Griffin, Hamilton, and Crown Attorney of Wentworth, Ont., 1904-21,—at Hamilton, Ont., on June 25, aged 75 years.
- Watts, Col. George W.**, formerly Works Manager for the Canadian General Electric Company; served in the North West Rebellion,—at Toronto, on Mar. 1, aged 70 years.
- Wells, K.C., William Wilberforce**, formerly Judge of the County Court of Westmorland and Kent, N.B.,—at Ottawa, on Apr. 18, aged 77 years.
- White, M.D., C.M., F.A.S.C., Ernest Hamilton**, Chief of the Department of Oto-Laryngology at the Royal Victoria Hospital and Professor of Oto-Laryngology at McGill University, Montreal,—at Montreal, on June 15, aged 54 years.
- Wilson, Dr. Omar Matthew**, dermatologist, Canada's representative to the World Dermatological Congress at Copenhagen in 1931,—at Ottawa, on May 18, aged 52 years.
- Young, M.D., L.R.C.P., William Archibald**, formerly Coroner for the City of Toronto for 35 years and Editor of *The Canadian Journal of Medicine and Surgery* for over 30 years,—at Toronto, on Apr. 1, aged 67 years.
- Young, D.D., Rev. W. R.**, Commissioner of the first General Council of the United Church of Canada in 1925 and for years a member of the executive of the General Council,—at Hamilton, Ont., on Mar. 11, aged 79 years.

ORGANIZATIONS AND THE ARTS IN CANADA

The Seventh Annual Convention of the Canadian Chamber of Commerce was held at Halifax on Sept. 13-15, 1932. Several of the speakers addressing the Meeting were: Rt. Hon. Viscount Elibank, Chairman of the Federation of Chambers of Commerce of the British Empire; Sir Newton J. Moore, K.C.M.G., President of the Dominion Steel and Coal Corporation; Hon. L. P. D. Tilley, Minister of Lands and Mines of New Brunswick (later appointed Provincial Prime Minister); and Hon. H. H. Stevens, Minister of Trade and Commerce for Canada. The Secretary in his Report for the year 1931-32 stated that of the twenty-two approved objectives drawn up at the beginning of the year, over 80 per cent. had been implemented; that the Chamber's officers had been in more frequent touch than ever before with members of the Federal Government and that certain policies of the Chamber had been materially advanced by Federal action, including the institution of a Royal Commission on Transportation, the signing of a Trade Treaty with New Zealand, the completion of further sections of the Trans-Canada Highway, and the furthering of Empire trade. A Conference of representatives of agriculture and business interests, as recommended at the 1931 Convention, had been held under the auspices of the Chamber in Toronto on Nov. 27, 1931. The Report stated that a very active part had been played in the preparations for the Imperial Economic Conference of July, 1932, at Ottawa. The Chamber's Foreign Trade Bureau had been established during the year and a programme of activities drafted—an outcome of the 1931 Convention. The number of Boards of Trade and Chambers of Commerce affiliated with the National Chamber stood at 195 in 1931-32. Resolutions adopted at the 1932 Convention were as follows: that the Federal and Provincial Governments should amend their various Companies' Acts to afford more protection to the investing public; that the Chamber should reaffirm its previous declarations as to the imperative need for the utmost economy in every direction and, particularly, in non-productive expenditures on the part of all governing bodies, for taxation reduction and for the removal of hampering restrictions to the development of commerce and industry and employment; that the Chamber should appoint a National Committee to study the cost of Governments; that the Federal Government should be petitioned to take the necessary steps to ensure a uniform observance of Remembrance Day on Nov. 11; that all Provinces of the Dominion should have reciprocal agreements whereby double succession duties would be avoided; and that the policy of the Department of Railways and Canals should be commended for its effort to establish the feasibility of the Hudson Bay route for the transportation of goods of all classes to and from Western Canada. Resolutions on the following subjects were also considered and referred to the incoming National Executive for their study: domestic distribution, national fuel policy, Canadian shipbuilding and assistance to the fishing industry. The following officers were elected: President, John W. Ross, Montreal; Chairman of the Executive, A. O. Dawson, Montreal; Secretary, W. McL. Clarke. It was decided to hold the 1933 Annual Convention at Ottawa, Oct. 11-13.

The Maritime Board of Trade, an important factor in the economic life of the three Maritime Provinces, held their 1932 Annual Meeting at Charlottetown, P.E.I., on Oct. 25-26. The main resolutions adopted by the Meeting advocated: (1) the resurrection of the Maritime Transportation Commission, the operations of which had been suspended on June 1, 1930, owing to the withdrawal of the support of the three Provinces; (2) the implementation of the Duncan Commission recommendations involving a readjustment of Provincial subsidies; (3) action by the Provincial Governments to secure some adequate consideration for the gift of upwards of one million square miles of the public domain of Ontario and Quebec, without

any *quid pro quo*, to the Maritimes, which were partners, with Ontario and Quebec, in the purchase of such public domain from the Hudson Bay Company; (4) the provision, by the Provincial Governments, of an annual appropriation sufficient to finance prospecting, under experienced guidance, by University students of mineralogy during the holiday season; and (5) the practice of economy in all public expenditures. A record of the year's activities, which largely involved the resolutions passed at the previous Annual Meeting, showed that excellent progress had been made in certain directions, particularly with regard to the coal and the steel industries. No advance had been made in connection with the unimplemented Duncan Commission recommendations. The officers elected for the ensuing year were as follows: President, N. T. Avar, Amherst, N.S.; Vice-Presidents: for P.E.I., R. L. Cotton, Charlottetown; for N.S., R. J. R. Nelson, Halifax; for N.B., A. L. Foster, Saint John; and Honorary Secretary, F. Maclure Sclanders.

The 32nd Annual Convention of the Union of Canadian Municipalities took place in Winnipeg, on July 4, 5 and 6, 1932. The activities during 1931, as given in the Secretary's Report, were mainly directed along the lines of previous years: advice on proposed private legislation in the Federal House affecting the municipalities; issuing of pamphlets giving results of research work on municipal subjects; and petitions to the Federal and Provincial Legislatures as directed by the Convention. In each case the Governments had given the matters consideration and, in some cases, in connection with unemployment relief, old age pensions, Trans-Canada Highway and immigration matters, direct action had been taken. Many addresses were given at the Meeting on municipal topics; and resolutions submitted by the Resolutions Committee urged: the institution of a contributory unemployment insurance plan, actuarially sound; the assumption by the Government of a substantial portion of the cost of providing grade separation and bridges in streets, and also of the cost of maintenance of immigrants awaiting deportation; the establishment of reciprocity or nationalization of residence qualifications of old persons; the withdrawal of the Dominion Government from the field of direct taxation and the abolition of the Dominion Income tax; the establishment of a joint commission to inquire into the question of delimitation of the spheres of taxation amongst the different taxing bodies. The following officers were elected for 1932-33: Honorary President, W. D. Lighthall, K.C., LL.D.; President, Lieut.-Col. H. E. Lavigne, Quebec; Vice-Presidents, J. J. McRae, Vancouver; F. O. Pilz, Preston; C. J. Sharpe, Portage-la-Prairie; and Secretary-Treasurer Samuel Baker, London.

Postponement of the 1933 Annual Convention of the Union of Canadian Municipalities (planned for July 10-12) on account of the inability of many municipalities to bear the expense of a delegation, necessitated a meeting of the Executive of the Union in Ottawa on June 1. The reduction of bank interest rates, the exemption of municipalities from the stamp tax on cheques, unemployment relief grants, governmental works for the unemployed, and the recall of debentures were some of the questions dealt with, concerning which representations were made to the Dominion Prime Minister, Rt. Hon. R. B. Bennett, in an interview on the same day. Mr. Bennett, in answering, declared: (1) that the banks had agreed to reduce the rate of interest, but that the rate of interest also depended upon the quantity of money available, the demand for funds and the character of the risk; (2) that it was impossible to accede to their request regarding the Stamp tax as the Federal Government was paying large sums of money on the grounds of emergency, and this tax was the municipalities' contribution to that sum; (3) that relief questions belonged exclusively to the Provinces; that the unemployment insurance scheme was not workable at the present time and that the Federal Government would co-operate in relief works by using unemployed men as far as practicable; and (4) that he hoped the emergency would not make it necessary to recall the Government's bonds and issue instead bonds at a lower rate of interest, but if such were the case the matter would be dealt with in the British fashion. The Prime Minister arranged an interview with the Minister of Labour, Hon. W. A. Gordon, to deal with the question of relief works; the Minister, in giv-

ing his advice, repeated the Prime Minister's statement that this matter was under the jurisdiction of the Provincial Governments. Resuming its meeting the Executive arranged that the 1934 Convention would be held at the City of Quebec about the month of July, with part of the session to be held in Three Rivers.

Completing the heaviest year in its history, the Central Council of the Canadian Red Cross Society opened its Annual Meeting at Toronto, on Apr. 6, 1933, under the chairmanship of Norman Sommerville, k.c. The Report of the National Commissioner for 1932 showed an increase of five in the number of branches, making a total of 521. Gross receipts from all sources were \$965,257, an increase of \$136,568 over 1931; voluntary contributions, including those made to the National Emergency Fund, except in Alberta and Saskatchewan, were slightly over \$510,000, an increase of \$144,000; funds for relief work also showed an increase. Decreases occurred in receipts from the Outpost Hospital and Nursing Services and from Junior Branches. Expenditures exceeded the million dollar mark for the first time since the Great War, amounting to \$1,056,307, an increase of \$91,051 over 1931. The principal increases were in soldier and general relief, in health work and in the service to crippled children. Expenditures on soldier work in 1932 amounted to \$228,716, an increase of \$4,000. There were 45 outposts in operation during the year, a reduction of four, with an expenditure of approximately \$235,000, or \$4,000 less than in the previous year; notwithstanding this, 32,781 patients were cared for, an increase of nearly 2,000. General contributions from the Junior Red Cross amounted to \$16,756, a little over one-third of the 1928 figure of \$49,842. Classes in Home Nursing were organized in five of the Divisions. Relief assistance was given to 150,000 people, expenditures on relief work in 1932 being \$290,403, as compared with the 1929 amount of \$12,292. Amounts totalling \$238,641, were received to offset these expenditures from Provincial Governments, municipalities, the National Emergency Fund in Alberta and the Lieutenant-Governor's Distress Fund in Saskatchewan. In October, 1932, the Canadian Red Cross was honoured by the gracious consent of His Royal Highness the Prince of Wales to become the Patron of the Society. The Canadian Railway Companies in the Winter of 1932 again generously agreed to carry relief supplies to Northern Ontario and Western Canada free of charge. The officers for 1933 were elected as follows: President, His Excellency the Earl of Bessborough, g.c.m.g.; Chairman of the Central Council and the Executive Committee, Norman Sommerville, k.c.; Honorary Secretary, F. D. L. Smith; Honorary Treasurer, F. Gordon Osler; and National Commissioner, J. L. Biggar, m.b.

The 1932 Annual Convention of the Association of Canadian Clubs was held at Regina in August. Among the resolutions brought down by the Resolutions Committee, was one calling for the establishment of a Committee to promote the holding of ceremonies in connection with naturalization proceedings, with a view to impressing such applicants with the rights and duties of Canadian citizenship. A grant of \$500 was provided for the work. This was implemented by a further resolution calling for educational work among the foreign-born with a view to instructing them in principles of citizenship. These resolutions were the outgrowth of an address given by Hon. A. K. Dysart. The following officers were elected for 1932-33: J. E. Macpherson, Montreal; 1st Vice-President, Hon. A. K. Dysart, Winnipeg; 2nd Vice-President, P. B. Fowler, Victoria; Honorary Treasurer, Cuthbert Scott, Ottawa. The Report of the Executive Committee for the year ended June 30, 1933, stated that the general policy of the Association to "offer or assist in securing" four speakers annually for each member Club in return for an affiliation fee of fifty cents per member of the Club, remained unchanged. 430 meetings were arranged for 95 Canadian Clubs during the year. The subjects of several of the addresses included: the Imperial Economic Conference, unemployment insurance, Canada's broadcasting system, the new movement in Canadian art, and the new Canadian. Four new Clubs were formed during 1932-33; three Clubs became inactive, while one Club that had been inactive in the previous year was re-organized. Conforming with the

recommendation of the 1932 Conference, the Regional Council of Canadian Clubs of British Columbia was formed and was operated most effectively. During the early part of 1933 a letter was sent to the Under-Secretary of State of Canada concerning proposed naturalization ceremonies. J. R. McLean, Manitoba Rhodes Scholar for 1927, who was appointed on Oct. 1, 1932, to the post of National Secretary to succeed Graham Spry, accepted the invitation of the Canadian Institute of International Affairs to act as Secretary of the Committee for the Routing and Reception of delegates to the Institute of Pacific Relations and the Commonwealth Conference which was to be held at Banff and Toronto during August and September, 1933. (In error, when giving the record of the 1931 Annual Convention of the Association of Canadian Clubs in *The Canadian Annual Review*, 1932, an item pertaining to the Annual Meeting of the Canadian Club of Ottawa was inserted; also instead of giving the officers of the Association of Canadian Clubs, the officers of the Ottawa Association were included).

Delegates gathered in Regina, Sask., on June 21 and 22, 1933, at the 103rd Meeting of the Grand Orange Lodge of British America—the first meeting in Western Canada since that of 1928 at Edmonton. Briefly, in his Report, the Grand Master, Lieut.-Col., Hon. T. A. Kidd, M.P.P., dealt with constitutional rights, especially as they affected the Prairies, and told of the fight of those Provinces to maintain the principles of the British North America Act. Present day problems, the maintenance of principles of the Orange Order, and a report of progress within the ranks of the membership during the previous year were brought to the fore in his Address, together with a description of the 21st Triennial Conference of the Imperial Grand Orange Council of the World at Belfast, Ireland. The Grand Secretary in his Report gave the issue of Warrants during the year as follows: Primary Orange Lodges, 6; renewals, 4; Royal Scarlet Dispensations, 2; Juvenile Lodges, 9; Ladies' Orange Benevolent Association, 11; Crystal Chapters, 2; and Orange Young Britons, 2. The Report of the Grand Treasurer noted several adjustments including the writing off of all arrears of dues of the former one dollar *per capita* tax, outstanding at Dec. 31, 1932. At Apr. 30, 1933, total cash receipts for the year were \$20,821, and total cash disbursements, \$36,884. The Insurance Departments recorded 3,457 policies in force at Dec. 31, 1932, with a value of \$3,700,906. The following *Sentinel* Committee recommendations, concerning the matter of future financing of the publication, were adopted: (a) a semi-monthly publication instead of a weekly, with existing subscription rates; (b) reductions in expenses; (c) a 100 per cent. subscription of all members of all units, the Provincial Grand Lodges, the Ladies' Orange Benevolent Association, the Orange Young Britons' Association and the Royal Black Preceptory, and (d) the allotment of a reasonable amount of space in the periodical to each of these units in which to include news of interest to their particular members. The recommendation that the Grand Lodge be requested to provide the sum of \$5,000 during the current year was referred to the Committee of Finance, who appropriated the sum of \$3,800. A resolution adopted urged the appointment of a Committee to make representations to Parliament regarding the necessity of public inspection of all institutions. Halifax was chosen as the next place of meeting. The officers elected for 1933-34 were: Grand Master, J. Starr Tait, Saint John; Deputy Grand Master, Stewart Adrain, Regina; Grand Chaplain, Rev. A. E. Smart; Grand Treasurer, R. Hardy-Small, Toronto; and Grand Secretary, Loftus H. Reid, Toronto.

The Royal Arch Masons of Canada, held their 75th Annual Convocation of the Grand Chapter at London, Ont., on Feb. 22-23, 1933. The Grand Z in his Address presented the Report of the Audit and Finance Committee, appointed during the year, in accordance with a recommendation adopted at the 1932 Meeting and, at the same time, recommended the raising of the Life Membership fee from \$5 to \$10. The Report of the Grand Scribe E recorded 159 Chapters—158 in Ontario and 1 in the Yukon—with a total membership, at Nov. 30, 1932, of 24,068, a loss of 1,156. The Grand Treasurer showed receipts of \$16,021 and expenditures of \$15,518. The following officers were

elected for the ensuing year: Grand Z, C. W. Haentschel, M.D.; Grand H, Alex. Cowan; Grand J, George L. Gardiner; Grand Treasurer, Walter G. Price; Grand Scribe E, Edwin Smith, Toronto.

The 54th Annual Meeting of the High Court of the Canadian Order of Foresters was held in the City of Quebec, June 20-22, 1933. The High Secretary reported a total membership of the Insurance Branch of 45,461 at Dec. 31, 1932, as compared with 47,912 at the end of 1931; and a total Insurance Fund of \$14,457,432 in 1932 as against \$13,715,634 in the previous year. There were 985 death claims paid during the year, amounting to \$937,825. The membership in Sick Benefit Fund No. 1, at the end of December, 1932, was 23,247 as compared with 25,355, at the end of 1931. Sick Benefit Fund No. 2, however, showed a slight increase from 982 in 1931 to 1,018 in 1932. The amount at the credit of Fund No. 1 at the end of the year was \$583,016, an increase for the year of \$24,360, 2,912 claims having been paid amounting to \$84,715; and the amount at the credit of Fund No. 2 was \$2,914, an increase of \$1,295 over 1931, 113 claims having been paid, amounting to \$2,508. The officers for 1933-34 were: High Chief Ranger, W. M. Couper, K.C.; High Vice-Chief Ranger, J. P. Hoag; High Treasurer, A. R. Galpin; and High Secretary, A. P. VanSomerén, Toronto.

The 17th Annual Convention of Kiwanis International was held in June, 1933, at Los Angeles, California. Objectives for the forthcoming year were stated to be: service to under-privileged children; intelligent, aggressive and serviceable citizenship; friendly understanding among all citizens, rural and urban; vocational guidance, and boys' and girls' work. Two special objectives were the maintenance of adequate educational facilities, especially those making for character development, and business-like methods in administrative government, with special application to local government. The International Committee on Public Affairs for Canada, composed of Frank T. Taylor, Winnipeg (Chairman); Owen J. Callary, Montreal; and Alexander T. Robson, New Westminster, B.C., recommended for Kiwanis Clubs in Canada: (1) assistance to the unemployed by enlisting support of Municipal, Provincial and Federal authorities for the construction of necessary public works; (2) the preservation of adequate educational facilities for the Canadian youth; (3) the simplification of governmental machinery; (4) safety campaigns for combatting accidents, fires, etc.; and (5) continued establishment of friendly relations between Canada and the United States. In Canada, there were 67 clubs engaged in general charity work; 67 in juvenile work, Boy Scouts, etc.; 65 in vocational and educational work; 61 in assistance to under-privileged children; 56 in playgrounds, recreation and athletics; 52 in citizenship and patriotic endeavours; 46 in improvement of civil conditions; 45 in agricultural projects; 29 in aid to business and industry; and 24 in health, sanitation and hospitals. Officers elected for 1933-34 were: President, Joshua L. Johns, Appleton, Wis.; Vice-Presidents, Judge Archibald A. Schramm, Marietta, Ohio, and Andrew Whyte, Edmonton, Alta.; Treasurer, H. G. Hatfield, Oklahoma City; and Secretary, Fred. C. W. Parker, Chicago, Ill. It was decided that the 18th Annual Convention would be held in Toronto on June 10-14, 1934. In a statement by the newly-elected President, Joshua L. Johns, it was affirmed that "So long as education and the passion for it continues there is little chance that life will become static or dangerously standardized. So long as technology maintains its supremacy change will be constant and civilization will remain free from caste and constantly enriched."

The Annual Convention of Rotary International was held in Boston, U.S.A., June 26-30, 1933. Among the outstanding addresses was the Presidential message of Clinton P. Anderson, describing his visits to Rotary clubs in different parts of the world and calling attention to the enthusiasm of the Convention as indicative of the vigour of Rotary, the strength of its fellowship, and the confidence of business men of the world in the value of Rotary's principles in building a more stable, economic structure. The keynote address of the Convention was delivered by Wilfred Andrews of Sittingbourne, England. In a day devoted to consideration of the problems of the

individual Rotary club, John Nelson of Montreal delivered the closing address on "Relating the Rotary Club to Its Task." A series of five addresses on "The New World Order" was brought to a climax by the speech of Frank Milner, Oamaru, New Zealand. Robert Lincoln O'Brien, noted Boston editor, spoke on "Do We Recognize Rotary's Power?" Herbert Schofield, Loughborough, England, spoke on "Relation of Rotary to a Changing World." Two addresses of the closing day were presented by Sir Robert Falconer, K.C.M.G., Toronto, "Our Common Civilization" and Senator (U.S.) Joseph T. Robinson, "What Lies Ahead." The following officers were elected for 1933-34: President, John Nelson, Montreal, Canada; 1st Vice-President, E. R. Johnson, Roanoke, Virginia, U.S.A.; 2nd Vice-President, Maurice Duperrey, Paris, France; 3rd Vice-President, Herbert Schofield, Loughborough, England; Secretary, Chesley R. Perry, Chicago, U.S.A.; and Treasurer, Rufus F. Chapin, Chicago, U.S.A. Throughout the year 1932 a broad programme of activity was followed by the Rotary Clubs of Canada; the accepted power and influence of Rotary was used in a Dominion-wide campaign to stimulate a return of that confidence in business relations so essential to economic recovery. The programme embraced the correction of unethical practices found to exist in business, and to promote in every way possible the doctrine of absolute belief in the inherent stability of the Dominion of Canada. John J. Allen, Mayor of Ottawa, was chosen as Canada's representative on the International Board of Directors; J. Lyman Trumbull of Vancouver was appointed to the Club Service Committee; G. F. McNally of Edmonton, to the Community Service Committee; Theodore A. Torgeson of Estevan, to the International Service Committee; Charles W. Buchanan of Toronto, to the Boys' Work Committee; and Bartley N. Holtham, of Sherbrooke, was chosen Chairman of the Canadian Advisory Committee. At the end of 1933 there were 3,621 Rotary Clubs with an approximate membership of 145,000.

The Rockefeller Foundation's largest appropriation for the year 1932 in the medical sciences, \$1,282,652, was made to McGill University for the establishment of a neurological institute. These funds provided for laboratory quarters and endowment for the Departments of Clinical Neurology, Neurosurgery, Neurophysiology and Neuropathology. In addition to engaging in research activities, the Institute was to train teachers and investigators in the field of mental and nervous diseases. \$1,000,000 of this sum was appropriated for the endowment of the Institute, payable on completion of a laboratory at the site of the Royal Victoria Hospital; \$232,652 was given toward the construction and equipment of the laboratory, and \$50,000 toward the expenses during the year of the development of teaching and research. In addition, an appropriation of \$15,000 was made to McGill for aid in the development of surgery during 1933. Annual grants had been made for this work by the Rockefeller Foundation since 1929. An appropriation of \$87,500 was made toward the development of public health nursing education at the School of Nursing of the University of Toronto during a five-year period, beginning July 1, 1932. In 1930, the Foundation renewed a programme by which the Faculty of Medicine of the University of Montreal received annual grants for a five-year period toward the general development of its medical laboratories. In 1932, \$25,000 was appropriated for this purpose. Co-operation in public health in Canada in 1932 included direct aid to the health organizations of eighteen counties in Alberta, British Columbia, Manitoba, Quebec and Saskatchewan, and assistance to the central health administration of the Province of Quebec. In British Columbia and Quebec the Provincial health services received aid in epidemiology. During 1932, 21 Canadians studied under fellowships administered or financed by the Foundation, eighteen in the various branches of public health work and three in the medical sciences.

During 1932-33 (year ended Sept. 30) Canada received an unusually large share of grants, endowments and other benefactions from the Carnegie Corporation of New York. The most important of these were the payment of \$60,000 for demonstration purposes in the field of library service in Prince Edward Island, and the setting aside of a sum of \$40,000 to carry into effect,

under the direction of a Canadian Advisory Group, certain findings which had resulted from the Survey of British Empire Museums completed that year. Three large endowment grants were authorized and paid in Canada by the Corporation during the year: \$125,000 for a Professorship of Geology at Dalhousie University, Halifax, N.S.; \$125,000, for the Chair of Chemistry at Mount Allison University, Sackville, N.B.; and one of \$75,000 for the Prince of Wales College, Charlottetown, P.E.I., for a Chair of Economics and Sociology. That all three grants should have been made in the comparatively restricted area of the Maritime Provinces, reflected, the Report stated, the special familiarity of the Corporation with the educational needs of this region, gained through the long-extended negotiations in Eastern Canada for university federation which were begun in 1923 and abandoned only in 1929. Appropriations authorized during the year included the sum of \$15,000 (payable in three equal annual instalments), for the development of college libraries, to each of the following Canadian Universities: Acadia University, McGill University, Queen's University, University of Alberta, University of British Columbia, University of Toronto, University College, Victoria College and Trinity College (University and Victoria, \$15,000 each, and Trinity, \$10,000), and University of Western Ontario. Other appropriations were: the Art Gallery of Toronto, for educational programme, \$10,000; the University of Toronto, for educational research, \$10,000; McGill University, for general maintenance and support of special activities of library schools, \$14,400, and for support of the Chinese Library, \$10,000; College Art Association: Canadian activities, \$2,500, and for distribution of arts teaching equipment to Mount Allison University, University of Alberta, and the Art Gallery of Toronto, \$15,000; and Regina College, for activities in the field of music, \$15,000 (payable \$5,000 annually, 1932-35). Retiring allowances and pensions granted by the Carnegie Foundation for the Advancement of Teaching, as in force during 1932-33, were as follows: 2 in British Columbia; 49 in Ontario; 35 in Quebec; 11 in Nova Scotia; and 1 in Saskatchewan; a total of 98 allowances and pensions. Total expenditures for the year ended June 30, 1933, on Canadian allowances, were: the University of Toronto, \$60,780; McGill University, \$31,196; Queen's University, \$9,590; Dalhousie University, \$8,290; the University of British Columbia, \$1,900; and the University of Saskatchewan, \$2,400; a total of \$114,156.

The Seventeenth Annual Meeting of the Canadian Bar Association was held in Calgary, Alta., Aug. 31-Sept. 2, 1932, with Hon. A. A. McGillivray, K.C., Vice-President for Alberta, in the Chair. Distinguished guests present at the Meeting were the Rt. Hon. Viscount Hailsham, representative from England; Maître Olivier Jallu, from France; and the Hon. William P. MacCracken, from the United States, each of whom later addressed the Meeting. At the opening session, two amendments were passed to the Constitution, whereby Rt. Hon. R. B. Bennett, K.C., LL.D., Prime Minister of Canada, was elected Honorary Life President (the first to hold that position since Sir James Aikens, the organizer of the Association), and Past Honorary Presidents, i.e., former Ministers of Justice, automatically became members of the Council of the Association. The retiring President, Louis S. St. Laurent, K.C., LL.D., addressed the gathering on the subject of the Law of Quebec. In their Report the Committee on International Law declared that the two notable events of the year had been the passing of the Statute of Westminster and the armed conflict between China and Japan. They stated that work was still progressing slowly toward the codification of international law and that papers had been submitted to the Congress at The Hague in 1932, held under the auspices of the Academy of Comparative Law, by members of the Committee constituted during the year, in accordance with instructions given at the 1931 Meeting of the Association. The Committee on Legal Education submitted that, in view of the overcrowding in the legal profession and the backwardness of legal education in comparison with other professional education, the standard of legal education should be strengthened rather than lowered, and that the primary aim of law schools should be to teach the fundamental principles of law. It was reported that a special study was

being made by the Committee of the following problems: practical training for law students, law school matriculation requirements, the content of preliminary education and the teaching of accounting and allied phases of modern business. Hon. N. W. Rowell, K.C., LL.D., Toronto, was elected President of the Association for 1932-33; and Isaac Pitblado, K.C., LL.D., Winnipeg, Dominion Vice-President. Other officers were: Vice-Presidents for the Provinces: Alberta, J. E. A. MacLeod, K.C.; British Columbia, A. H. MacNeill, K.C.; Manitoba, D. H. Laird, K.C.; New Brunswick, Hon. Sir Douglas Hazen, K.C.M.G.; Nova Scotia, F. D. Smith, K.C.; Ontario, D. L. McCarthy, K.C.; Prince Edward Island, His Hon. G. S. Inman; Quebec, George H. Montgomery, K.C., D.C.L.; and Saskatchewan, W. A. Gilchrist; Honorary Secretary, Robert Taschereau, K.C., M.L.A.; Quebec, Honorary Treasurer, F. K. Williams, K.C., Winnipeg; Registrar, W. N. Ponton, K.C. Belleville; and Secretary-Treasurer, E. H. Coleman, K.C., Winnipeg.

The Report of the Commission of Inquiry, which was composed of John Ridington, (Chairman) Mary J. L. Black, and George H. Locke, LL.D., into Library Conditions and Needs in Canada, and whose work had been financed by the Carnegie Corporation of New York, was published in book form in March, 1933. From a careful survey of the whole situation and a knowledge of conditions gleaned from through investigation in all nine Provinces, the Commission concluded that four-fifths of Canada's total population of ten and a half million people were utterly without library service of any kind. Only in two of the nine Provinces was there any official or governmental interest taken in the libraries. With the exception of Ontario, public libraries in all the Provinces had been abandoned by the Governments to the Municipalities. The need for a national library policy was strongly urged by the Commission and the possibilities of establishing a national library considered. In this connection the inferiority of the official libraries of Canada as compared with those of Germany, France, Czecho-Slovakia, the United States and Great Britain, was stressed. Three general recommendations applicable to the whole of Canada were made by the Commission: (1) the creation of larger administrative library units, based on the county, or a co-operative combination of urban and rural municipalities into a Regional Library District; (2) extension of library service, by branch libraries, library trucks, etc., until it was as nearly universal as the postal system; and (3) competent professional supervision of library activities as a direct responsibility of Provincial Governments. More detailed suggestions as to the necessary features of a sound and workable library law were also given, such as: (1) a Provincial book-service policy, so formulated as to meet the needs of all types of the Provinces' citizens, whether living in city or town, hamlet or farm, or beyond the borderlands of organized municipal government; (2) recognition of the public library on a basis of parity with the public school; (3) official responsibility for the encouragement and the supervision of all public libraries, officially vested in the Provincial Minister of Education, acting through a professionally-trained departmental head; (4) a representative, influential and interested Commission, to co-operate with the Department of Education in all matters that affected public library welfare and progress; (5) standards of library service, in cities, towns and rural districts, should be set forth and minimum professional standards prescribed (as in the case of teachers) for librarians doing specified types of work; (6) provision for a library income commensurate to the services required; (7) permissive arrangements for co-operation between existing libraries, or combination or creation of library units into county or regional libraries; (8) the development of Provincial libraries to include a representative Open Shelf Collection, to serve as a reservoir, or reserve, to supplement and reinforce limited local book collections; and (9) at all times, active encouragement, co-operation and supervision.

Journalism. Uppermost in discussions at the Meeting of the Board of Directors of The Canadian Press, held in Quebec from June 5 to 7, 1933, prior to the Annual General Meeting, was the question of a projected agree-

ment with the Canadian Radio Broadcasting Commission for a Canadian Press news broadcast, with a view to preventing the unwarranted use of news dispatches, just off the presses, by commercial broadcasting stations. A Subcommittee was appointed which later presented the following recommendations: (1) that an agreement should be entered into; (2) that no fee should be charged the Commission (the proposed fee of \$500 a month, previously assented to by the Commission, being abandoned) and that the news bulletin service should be supplied on the basis of one dollar a year; (3) that the noon broadcast should be omitted; (4) that the time available for news bulletins should be definitely stated as standard time for each broadcasting station; and (5) that the General Manager (J. F. B. Livesay) should discuss with the Radio Commission the question as to whether stations should be permitted to interpret the news bulletins and, for this purpose, be allowed to run over the specified five minutes; and also that he should arrange that the sponsorship include the words "By courtesy of the Canadian Press". This Report was approved and recommended to the Annual Meeting. As the outcome of a suggestion made at the October (1932) Meeting, that the matter of a *pro rata* reduction in leased wire rentals based on reduced hours of operation should be taken up with the Canadian Pacific Communications, a memorandum regarding the proposed new contract was presented by the General Manager and subsequently approved by the Board. In the memorandum Mr. Livesay reviewed the morning paper situation which was becoming increasingly serious particularly in Western Canada, where one-third the cost of the 3,000 miles of leased wire circuits was being borne by six morning papers, Moose Jaw, Edmonton and Vancouver having completely abandoned the morning paper field. He pointed out the justice of a claim for a reduction in cost for the morning papers which were less than a fifth in number of the total newspapers, and that the one-third payment (\$6.66 per mile a year) was more than they would be called upon to pay on a separate night lease of C.P.R. wires. In concluding, the General Manager recommended that, following the adoption of the contract, the cost section of the by-laws should be amended at the next Annual Meeting in compliance with the resultant changed basis of cost distribution between morning and evening paper members. The inauguration from the Halifax Bureau on Mar. 1, 1933, of the service to the newspapers of British West Indies, including Bermuda and British Guiana, accompanied by an interchange of their own news—the result of four years' effort—was recorded in the Report of the Management.

At the Annual Meeting of the members, held on June 7, 1933, the proposed new leased wire contract was approved and adopted, together with the Report of the Management. An amendment to the projected agreement with the Canadian Radio Broadcasting Commission was carried: approving the principle of the agreement as submitted by the Board of Directors, but providing that the hours specified in the draft should be eliminated and that the Committee should be authorized to negotiate with the Radio Commission for determination of broadcasting hours which would not prejudice unduly daily paper publication. (The agreement was subsequently concluded with the Commission and the news bulletin service commenced operations on July 17). The following Directors were elected for 1933-34: British Columbia: F. J. Burd and C. Swayne; Alberta: Hon. W. A. Buchanan and John M. Imrie; Saskatchewan: Thomas Miller and Victor Sifton; Manitoba and Ontario, Port Arthur West: E. H. Macklin and M. E. Nichols; Ontario: W. Rupert Davies, H. W. Anderson, C. O. Knowles, A. R. Ford, E. Norman Smith and W. B. Preston; Quebec: Henri Gagnon, Oswald Mayrand, E. J. Archibald and J. A. McNeil; Maritime: Hon. W. H. Dennis, H. P. Duchemin and H. P. Robinson. At a subsequent meeting of the new Board E. Norman Smith was re-elected Honorary President; Henri Gagnon was elected President; W. B. Preston, 1st Vice-President; and H. P. Duchemin, 2nd Vice-President. J. F. B. Livesay remained General Manager and Secretary.

The year 1932-33 witnessed several resignations and appointments of outstanding interest in the field of journalism. After an association of over twenty years with *Le Devoir*, Montreal, Henri Bourassa resigned as Director

of that paper on Aug. 3, 1932, Georges Pelletier becoming Managing-Director and Omer Heroux, Editor-in-Chief. Hon. P. R. Du Tremblay, K.C., M.L.C., was elected President of La Compagnie de Publication de la Presse Limitée on July 25, 1932, in succession to Arthur Berthiaume (deceased, July 19). In October, Bernard K. Sandwell, journalist and economist, became Editor of *Saturday Night*, Toronto, succeeding Hector Charlesworth, who had resigned upon his appointment to the Chairmanship of the Canadian Radio Broadcasting Commission. In the same month, Vernon Knowles, Managing-Editor of *The Mail and Empire*, Toronto, was made Executive Editor of the paper and was also elected a Director of the Mail Printing Company Limited.

P. D. Ross, Publisher of *The Ottawa Journal*, on Feb. 8, 1933, was acquitted of the charge of libel brought against him by W. T. R. Preston of Port Hope, former Liberal organizer for Ontario, in a suit for \$20,000 damages. The jury, when giving the verdict also declared: "We find Mr. Preston has had an honourable public career." The fourth in a series of libel actions by Mr. Preston, extending over 30 years, this suit arose over allegedly libellous statements concerning Mr. Preston in a book, *Restrospects of a Newspaper Person*, written by Mr. Ross and published by the Oxford University Press.

Two well-known daily newspapers celebrated their Diamond Jubilees during the period under review: *The Winnipeg Free Press*, founded as *The Manitoba Free Press*, on Nov. 9, 1932, and *The Leader-Post*, formerly the *Regina Leader*, on Mar. 7, 1933.

Literature. The Royal Society of Canada held its 1933 Annual Meeting, May 17-20, in Kingston, on the invitation of Queen's University. Prof. Francis E. Lloyd of McGill University delivered his Presidential Address on "Carniverous Plants", illustrated with both slides and motion pictures. The 1933 recipients of the Society's gold medals were as follows: the Flavelle Medal, for achievements in science, to Joseph Burr Tyrrell, M.A., B.Sc., LL.D., F.G.S., of Toronto; and the Tyrrell Medal, for historical research, to Judge F. W. Howay, LL.D., of New Westminster, B.C. No award was made in 1933 of the Lorne Pierce Medal. The first of the ten Fellowships endowed by the Carnegie Corporation, were awarded by the Society as follows: Errel Boucher, Frank W. Beare, Ruth E. Moore, John Thomas Culliton, Peter Mackenzie Millman, E. P. Linton, Harold Williams Fairbairn, Clarence A. Morrell, J. S. L. Brown and Christine E. Rice. During the year the Society lost by death William Templeton Waugh, Kingsford Professor of History at McGill University, John Charles Fields, Research Professor of Mathematics at the University of Toronto, and Rt. Hon. Sir Gilbert Parker. Léon Gérin, of Coaticook, Quebec, was elected President of the Society; W. Lash Miller, PH.D., of the University of Toronto, Vice-President; Lawrence J. Burpee, Honorary Secretary; G. A. Young, M.Sc., PH.D., Honorary Treasurer and Honorary Librarian; and John Patterson, M.A. Honorary Editor.

Held in Quebec from June 29 to July 1, an exceptionally large part of the programme of the 1933 Annual Meeting and Convention of the Canadian Authors' Association, was provided by the French Section of that body. The President, Duncan Campbell Scott, LL.D., in his address, stated that the maintenance of the highest ideals in literature was being diligently pursued in the work of the Branches. Maintaining that no country had more abounding sources for literature, he declared that the literary output of the previous year had been satisfactory in quality and quantity and that the drama "until now the Cinderella of our arts," was showing greater vitality. Among the many addresses and papers presented were the following: "Some Women Writers of Canada" by Mrs. John Garvin (Katherine Hale), read by Mrs. Howard, President of the Toronto Branch; "Early Literature of the Canadian West" by Lawrence J. Burpee; "Quebec, the Cradle of Canadian History" by Alphonse Desilets; "The Intellectual Life of Regional Groups" by Louis Philippe Robidoux; "Humorous Writing in Canada" by Prof. Norris Hodgins; and "The Gramo-Poem" by J. Murray Gibbon. In the course of a discussion of the Drama and Poetry Group, it was suggested that newspaper editors should publish more poetry and pay greater attention to the quality of the

verse accepted by them. During the Convention a remarkable collection of French-Canadian books was displayed at the Palais Montcalm, contributed by the firms of Garneau, Beauchemin, Granger and Lévesque; and an exhibition of Canadian books in the English language, collected by the Association, was held at the Angus Book Shop. The National Executive was elected as follows: President, Rev. C. W. Gordon; Vice-Presidents, Mgr. Camille Roy and Prof. Watson Kirkconnell; Treasurer, Lawrence J. Burpee; and Secretary, Howard A. Kennedy, Montreal. Immediately upon the close of the Meeting in July 1 a group of 75 members embarked in the *Empress of Britain* on an overseas tour of England and Scotland sponsored by the Association. The National Secretary, wishing to carry as much as possible of the interest and pleasure of the Overseas Expedition to the members who had not been able to join it, set out in the Autumn of that year, on a tour of all Western Cities. The organ of the Association, *The Authors' Bulletin*, issued annually in previous years, was changed toward the end of 1933 to a quarterly publication under the title *The Canadian Author*.

The 1932 David Literary Awards included a prize of \$1,700 for prose won by Harry Bernard, Director of *Courrier de Saint-Hyacinthe* for his work entitled *Juana, Mon Aimée*, and one of a similar amount for poetry, which was divided between Alfred Desrochers and Robert Choquette. Another literary award of interest was that of a trophy in The Aonach Tailteann (Irish National Games), won by Dr. J. F. Kenny, M.A., F.R.H.S., Director of Historical Research and Publicity at the Dominion Archives, for his book entitled *The Sources for the Early History of Ireland*.

A new literary organization known as the Canadian Society for Literature and the Arts, was founded on Jan. 18, 1933; the objects of the Society were to aid the cultural and educational life of the Dominion by promoting a greater knowledge of literature, history and the arts, with particular emphasis upon Canadian effort in these directions, to encourage the creative talent of the youth of the Dominion and to give tangible support to the Canadian Authors' Foundation. Professor Pelham Edgar, Ph.D., Professor of English Literature at Victoria College, University of Toronto, was elected President.

The appeal of Miss Florence A. Deeks, of Toronto, to the Judicial Committee of the Privy Council, from the decision of the Supreme Court of Canada which had denied her suit for \$500,000 against H. G. Wells on a charge of plagiarism, was dismissed with costs on Nov. 3, 1932. The plaintiff claimed that a book entitled *The Web*, written by her and submitted to the Macmillan Publishing Company, had been seen, and part of its contents used, by Mr. Wells in his "*Outline of History*."

History. The 1932 Annual Report of the Public Archives (Arthur G. Doughty, C.M.G., LL.D., Keeper of the Records and Deputy Minister) contained a list of the various manuscripts received during the year from England, France, Italy, the United States, and from the various Provinces of Canada. The number of requests for information, production of files and copy of documents, received and given attention in 1932 was 1,832, a large increase over any preceding year. This was due to the fact that in 1932 Canada entered upon a series of historical centenaries; towns, counties, churches, etc., had celebrated or were preparing to celebrate anniversaries which had entailed much work and which promised to last throughout the year 1933. The Index of the Annual Reports of the Public Archives, both English and French, was continued during the year. Work on further instalments of the Catalogue of Pictures, and on other proposed publications, was temporarily suspended because of a reduction in the staff. The appendix to the Report contained the third part of the Calendar of State Papers, addressed by the Secretaries of State for the Colonies to the Governors-General or Officers Administering the Province of Lower Canada, from 1787 to 1841, which had been prepared by William Smith (deceased), former assistant Deputy Minister of the Department; this part was Series G, dating from 1838 to 1841. To add to the usefulness of this work a full index of the three parts had been prepared and was published in the Report.

The Annual Meeting for 1933 of the Canadian Historical Association was held in Ottawa, May 22-23. Dr. J. C. Webster, in his Presidential Address, "The Classics of Acadia", examined the value of the writings of Champlain, Lescarbot, Denys, Le Clercq, and Diéreville, his comments on the last being especially interesting in view of the work of translation and editing on which he was then engaged. The following papers were read: F. H. Soward of the University of British Columbia, "Canada and the Far Eastern Crisis"; W. M. Whitelaw of Rutgers University, "An Approach to Canadian Cultural History"; F. H. Underhill of the University of Toronto, "The Political Ideas of John S. Ewart"; E. R. Adair, "The Church and Parish of L'Acadie", an excellent study in local history based primarily on the parish records; Gustave Lanctôt of the Public Archives, Ottawa, "La Roche et l'Établissement de l'Île au Sable", in which by the use of new evidence the hitherto accepted story was largely discredited; F. J. Audet of the Public Archives, Ottawa, "Officials of Upper Canada, Political and Judicial, 1791-1841"; Margaret Ells of the Archives of Nova Scotia, "Clearing the Decks for the Loyalists"; and D. C. Harvey, Archivist of the Province of Nova Scotia, "The Struggle for New England Township Government". The papers by Miss Ells and Mr. Harvey broke new ground in the history of Nova Scotia. Mr. Harvey traced the unsuccessful attempt to gain the adoption of the system of the New England town in local government. Miss Ells cleared up in detail the elaborate process of escheating by which in the 1780's lands were re-acquired by the Crown in order that they might be available for the Loyalists. The Association met concurrently with the Canadian Political Science Association and, for the first time, a joint session was held. It was the unanimous opinion that the practice should be continued. Two excellent papers were read at the joint session: "The Commercial Class in Canadian Politics, 1792 to 1840", by D. G. Creighton of the University of Toronto; and "The Political Ideas of Sir John A. Macdonald", by T. W. L. MacDermot of McGill University. Prof. D. McArthur of Queen's University was elected President and F. J. Audet of the Public Archives, Vice-President; L. J. Burpee was re-elected Chairman of the Management Committee; Norman Fee, Ottawa, English Secretary and Treasurer; and Gustave Lanctôt, French Secretary and Editor.

Since the inauguration of the work in 1919, the Department of the Interior, on the recommendation of the Historic Sites and Monuments Board, had erected throughout the Dominion 197 memorials to persons and incidents of national and historic importance; the most recently unveiled were those commemorating the centenary of the Carillon-Grenville Canal on the Ottawa River. The Annual Meeting of the Board was held from May 25 to 27, 1933. Many proposals respecting the marking of sites were submitted, nine of which were recommended for action by the Department. These included the placing of tablets at the following points: Three Rivers, P.E.I.—to commemorate the establishment founded in 1732 by Jean Pierre Roma as a base for control of the gulf fisheries and for trade; Liverpool, N.S.—to perpetuate the memory of the privateersmen of Liverpool Bay; Guysboro, N.S.—to mark the site of Fort Chedabucto; near Cornwall, Ont.—to commemorate the eminent services of the regiments of United Empire Loyalist refugees; Ile des Chênes, south-west of Winnipeg, Man.—to mark the site of the land and water route from Fort William to the Red River Settlement; Methye Portage, Sask.—to mark the site of one of the most important portages in the West; New Westminster, B.C.—to mark the site of one of the largest pre-historic middens on the Pacific coast of Canada; and Vancouver, B.C.—to commemorate the public services of Capt. George Vancouver. The Board also recommended that a tablet be erected at a point, to be selected, to commemorate the services of Admiral Henry Wolsey Bayfield in connection with the surveys of the Great Lakes, the St. Lawrence, and Atlantic coastline.

The Champlain Society held their Annual Meeting in Toronto on Mar. 24, 1933. The Editorial Secretary, Prof. W. Stewart Wallace, M.A., stated in his Report, that since the previous General Meeting, two publications had been distributed among the members: Volume IV of H. P. Biggar's edition of *Champlain's Works*, and the edition of John McLean's *Notes of a Twenty-*

five Years' Service in the Hudson's Bay Territories, edited with notes and introduction by the Editorial Secretary. It was expected that within a few months the fifth volume of *Champlain's Works* would also be distributed. Through pressure of circumstances, Professor Ganong, who had undertaken to translate and edit for the Society Diéreville's *Port Royale*, had been compelled to give up the project during the year, but he had secured the services of Dr. and Mrs. J. C. Webster of Shédiac, N.B., to continue the work. The Society, through the kindness of the Governor and Committee of the Hudson's Bay Company, had obtained access to the wealth of material relating to the history of Canada preserved in Hudson's Bay House in London, and Dr. J. B. Tyrrell, Councillor of the Society, had secured copies of some of the most important journals of Samuel Hearne, Philip Turnor, and Peter Fidler during the years 1772-92, which he was having printed in a volume with notes and introduction. The Hudson's Bay Company also gave permission to the Society for the publication of numerous documents relating to the history of the North-West Company. At a subsequent meeting of the Council the following officers were elected: Honorary President, Sir Robert Borden, G.C.M.G.; President, Hon. Eric Armour, K.C.; Secretaries: Harold C. Walker, and W. Stewart Wallace, M.A., Toronto; Treasurer, H. H. Langton, M.A.

The Canadian Catholic Historical Association, formed with the object of encouraging interest and research in Church History, particularly that of Canada, held its organization meeting in Toronto on June 3, 1933. The programme of work outlined included the preservation of historical sites and buildings, of documents and relics, and the publication of monographs and documents as circumstances permitted. The Association was to be bilingual, it being planned to conduct the business transactions of the Annual Meetings both in English and French. Hon. Francis R. Latchford, Chief Justice in Appeal of the Supreme Court of Ontario, was elected President; Rev. Edward Kelly and Rev. J. B. O'Reilly, Vice-Presidents; James F. Kenny, PH.D., F.R.H.S., Secretary; and Miss Florence Boland, Treasurer.

On June 6, 1933, a bronze plaque was unveiled by His Excellency the Earl of Bessborough, in memory of Dr. William Henry Drummond, the "Habitant Poet", near his home in Cobalt, Ont.

The remains of Calixa Lavallée, composer of "O Canada", who, though born in Canada, had become a United States citizen, were, on July 13, 1933, brought from Mount Benedict Cemetery in Boston, Mass., where they had lain for 42 years, and re-interred in Montreal.

Drama. The prospect of a new era for Canadian amateur dramatics was envisaged in the inauguration in October, 1932, of plans for a Dominion Festival. The principal force behind the movement was His Excellency, the Earl of Bessborough, Governor-General of Canada, who, on Oct. 29, called a meeting at Ottawa which was attended by representatives of amateur dramatic groups of all the Provinces. The decision was reached at the meeting to hold a national competition in the Spring of 1933, whereupon a general Committee was formed with the Earl of Bessborough as Patron; Sir Robert Borden as President; Hon. Vincent Massey, Chairman; Hon. Athanase David, 1st Vice-Chairman; Col. H. C. Osborne, Vice-Chairman and Honorary Director; and Sir Charles Gordon and Beaudry Leman, Honorary Treasurers. The members of the Committee comprised the Lieutenant-Governors of all the Provinces, the Dominion Prime Minister and Leader of the Opposition, the Provincial Prime Ministers, University heads, Ministers of Education and Presidents of established dramatic groups. A small Executive Committee, appointed for the purpose of organizing the Festival, was composed of the President, the Chairman, the Vice-Chairman, the Honorary Director, the Honorary Treasurers and one representative from each Province to be selected by the local Little Theatre groups.

Detailed plans were subsequently formed and put rapidly into execution. Following many weeks of Provincial and regional competition, the Festival finals, for which were entered twenty-four productions—eighteen in English and six in French—were held in Ottawa on Apr. 24, 1933, with Rupert Harvey,

British actor and producer as the sole adjudicator. First place in the Competition was won by the Masquers' Club of Winnipeg, which received a marking of 83 per cent. for excellence, with the play *The Man Born to be Hanged* by Richard Hughes. To them was awarded the Bessborough Cup for dramatic supremacy, as well as the special Trophy for the best English presentation. L'Union Dramatique de Québec, with a marking of 80 per cent. for their offering of *Les Rantzau* by Erckmann-Chatrian, came second to the Masquers' Club, at the same time winning the trophy for the best French production. The second best English performance was that of the Vancouver Little Theatre Association in *Back to Methuselah* by George Bernard Shaw, for which they received a marking of 79 per cent.; the third was the Ottawa Drama League (Group B.) in *Will Shakespeare* by Clemence Dane, with 77 per cent. marks. For the French plays, second position was accorded Le Cercle Dramatique des Etudiants de Laval, Quebec, for *Le Baiser dans la Nuit* by Maurice Level, with 66 per cent., and third place to Les Anciens Du Gésu de Montréal for *Une Affaire d'Or* by Marcel Gerbidon, with 63 per cent. of excellence. The awards presented were challenge trophies to be competed for each year, but they were accompanied by diplomas which the winning teams were to retain.

The success of the Festival from an artistic standpoint, as well as from that of fulfilling a popular and national need, was reflected to some extent in the opinion expressed by Rupert Harvey, the adjudicator, at the conclusion of the competition, that "The general dramatic standard of this Festival is as good and in some respects considerably better than the same kind of production which I have been called to adjudicate in Great Britain." Mr. Harvey, prior to his arrival in Canada, had been adjudicator for the British Drama League, in whose Festival the entries had included talented European amateur organizations as well as British. Sir Robert Borden, in delivering a brief speech on the same occasion, maintained that, although it was not wise to belittle material things, a country, in the final analysis, was judged by the measure of its devotion to ideals and the things of the spirit. Of such was the Drama Festival, which was an undoubted factor in cultural development, and in the undertaking of which, the Governor-General and those associated with him were rendering a truly national service.

Art. A special "retrospective" exhibition of paintings and sculpture was held by the National Gallery at Ottawa during July and August, 1932, while the Imperial Economic Conference was in session. The chief feature of the display was the group of paintings by J. W. Morrice, R.C.A. (1864-1924) and Tom Thomson (1877-1917), which clearly reflected the contrasting tendencies of the two main schools of Canadian art—the French influence of the one and the essentially national and realistic note of the other.

Friction in artistic circles was the cause of a petition to the Dominion Government in December, 1932, signed by 118 artists, headed by E. Wyly Grier, R.C.A., which demanded an investigation into the actions of the National Gallery since 1924. The complaints were based on the alleged discrimination shown in favour of particular works by the Gallery in the selection and hanging of pictures at the annual exhibitions and the unrepresentative character of Canadian paintings distributed for exhibition both at home and abroad. A group of other artists, not in sympathy with the criticisms of the Gallery, issued a statement, in which they declared that, contrary to their claim, the signatories of the petition did not represent "the main body of artists in Canada," as 459 Canadian artists—comprising the majority of the members of the national art societies—were not included in the list.

The eighth Annual Exhibition of Canadian Art by the National Gallery, which opened on Feb. 9, 1933, was considered to be a fairly representative one in spite of the "boycott" by certain painters who, upholding their action of December, 1932, refused to take part in the Exhibition. In addition to a memorial display of the works of J. E. H. MacDonald, R.C.A., whose death had occurred a few months previously, there were outstanding works shown in the field of portraiture by Lilius T. Newton, A.R.C.A., Alphonse Jongers, Charles F.

Comfort, Gordon Davies, R. S. Hewton, A.R.C.A., John MacGillivray and F. H. Varley, A.R.C.A., Landscape paintings exhibited included those by A. Y. Jackson, Frederick G. Cross, Frank Carmichael, Maurice Cullen, R.C.A., Clarence Gagnon, R.C.A., Roland Gissing, Adrien Hébert, Marc Fortin, Lawren Harris, A. C. Suzor-Coté, R.C.A., Homer Watson, R.C.A., Elizabeth S. Nutt, A.R.C.A., and Fred S. Haines, A.R.C.A.

The President of the Royal Canadian Academy of Arts, in his Report for the year 1932, announced that the following Diploma works had been accepted by the Council during the year: Ernest Cormier's drawing "Université de Montréal"; P. E. Nobbs' drawing "The New Wing of the Royal Victoria College" (to replace a plaster model accepted at the time of his election); and Emanuel Hahn's bronze entitled "Fate", all of which were deposited in the National Gallery at Ottawa. Grants for Life Classes for Montreal, Toronto and Ottawa were renewed during the year. The President expressed his regrets that no action had been taken by the Imperial Economic Conference with regard to the abolition of a tariff on artists' materials, in spite of the very faithful work accomplished by J. W. Beatty and E. Dyonnet to secure this end. The 1932 Annual Exhibition of the Academy was held in November in the Art Gallery of Toronto, the attendance achieving a record for the year. Works representative of Painting, Sculpture, Architecture and the Graphic Arts were contributed by members and some non-members; one gallery was devoted to an exhibition of photographs of Canadian Architecture carried out by the Royal Architectural Institute of Canada. At the General Assembly held in Toronto on Nov. 5, 1932, Adrien Hébert was elected an Associate. All the officers were re-elected: President, E. Wyly Grier, Toronto; Vice-President, W. S. Maxwell, Montreal; Treasurer, C. W. Simpson, Montreal; and Secretary, E. Dyonnet, Montreal.

Kenneth K. Forbes, A.R.C.A., portrait painter and a leader in the conservative school of art, received in November, 1932, the Thomas R. Proctor Portrait Award for 1932 of the United States Academy of Design. This was the only prize of the Academy eligible to artists other than United States citizens. The winning portrait was a painting of Captain Melville Millar of Toronto, President of the Art Club of Ontario.

On Feb. 21, The Group of Seven announced the formation of a new and larger society in its place, to be called the "Canadian Group of Painters" and to include all the living members of the original Group. This new body was to consist of 28 members "drawn from a number of artists who have, over a period of years, expressed a sympathetic kinship in their interpretation of the Canadian environment of landscape and portraiture."

The deterioration of the arts of the Canadian Indian was one of the subjects referred to by Lieut.-Col. Wilfrid Bovey, President of the Canadian Handicrafts Guild, in his Report to the Annual Meeting at Montreal on Feb. 13, 1933. He maintained that, from an economic standpoint as well as from an educational one, it was far better to teach the Indian children their own ancestral crafts than to fill their brains with useless knowledge that directed their thoughts toward an urban and industrial life in which there was no place for them. Canadian shops, he pointed out, were full of foreign and factory made imitations of Indian goods, which could be replaced by genuine articles, thus giving the Indians material help. Colonel Bovey stated that relief for Indian unemployment could be organized in this way by the Guild, if the Dominion Government could be persuaded to give them the necessary assistance. The Committees of the Guild reported an active year, in spite of financial handicaps. The Technical Committee had under investigation a new form of unfair competition to which Canadian workers were being subjected, whereby a large number of imitations of French-Canadian and Indian work, cheaply manufactured or imported from abroad, were on sale in many shops. The establishment of a Montreal Weaving School by the Shop and Finance Committee was an important undertaking of 1932. The officers for 1933 were: President, Lieut.-Col. Wilfrid Bovey, O.B.E., LL.B.; 1st Vice-President, Mrs. W. Oliver Smith; 2nd Vice-President, Mme N. K. Laflamme; Honorary Treasurer, T. P. Jones; and Secretary-Treasurer, Mrs. L. C. Malcolm.

**TRANSPORTATION
FINANCIAL AND INDUSTRIAL
SUPPLEMENT**

Annual Addresses and Reports

CANADIAN PACIFIC RAILWAY COMPANY

PRESIDENTIAL ADDRESS OF E. W. BEATTY, K.C., LL.D.

AT THE 52nd ANNUAL MEETING*

AND

REPORT FOR THE YEAR ENDED DEC. 31, 1932

Mr. Beatty's 15th Annual Address

While the Annual Report outlines in considerable detail the principal factors which influenced the operations of the Company during the past year, some enlargement upon various features of the Report will no doubt be of interest and information to the shareholders.

Notwithstanding the very great decline in traffic, the operating ratio during the year 1932 was well maintained, working expenses, including taxes, amounting to 83.79 per cent. of gross earnings as compared with 82.80 per cent. in 1931. This result is the more noteworthy because the decline in gross earnings was substantially greater than the decline in the volume of traffic. This arises from the fact that the higher classes of passenger traffic and freight traffic, carrying more profitable rates, have declined in volume to a greater extent than the less remunerative classes, and the fact that short haul traffic, which gives a greater return for every mile of carriage, has declined in greater proportion than long haul traffic. To illustrate this I may mention a few comparative statistics.

In 1932 rail passenger revenue was less than in the preceding year by 19.2 per cent. while the volume of passenger traffic in terms of revenue passengers carried one mile dropped only 13.2 per cent. and the amount received for every mile a passenger was carried decreased 6.9 per cent. The decrease in rail freight earnings was 14.7 per cent., while the tons of freight carried one mile were only 6.9 per cent. less than in 1931, and the amount received for hauling a ton one mile 8.1 per cent. less. In 1932 the average length of a passenger journey was 81.45 miles as compared with 79.95 miles in the previous year, and the corresponding figures for the average haul of a ton of freight were 445.20 miles as against 388.91 miles. In these statistics the grain and grain products traffic is an important factor since it is the subject of long haul and low rates of carriage. This will appear from the fact that on lines west of Fort William, on which the great bulk of it is handled, it comprises 64.6 per cent. of freight ton mileage, while it yields only 43.5 per cent. of the freight earnings. To produce satisfactory results it

*NOTE.—Annual Meeting, May 3, 1933. For a history of the C.P.R. see *The Canadian Annual Review*, 1911; for Lord Shaughnessy's last Presidential Address, see *The Review*, 1918; for Mr. Beatty's first fourteen Presidential Addresses, see *The Review* from 1919 to 1932.

must be supplemented by an adequate volume of higher classes of traffic, but, as I have stated, these fell off materially during the year.

The following changes in the balance sheet will have been noted. On the Assets side, Railway, Rolling Stock Equipment, Lake and River Steamers and Hotels increased \$3,340,628, due principally to additions and improvements effected during the year. Acquired securities increased \$1,713,320, and Advances to Controlled Properties and other investments \$5,052,062. Assets in Lands and Properties decreased \$3,420,471, due principally to writing down the value of unsold agricultural lands. Materials and Supplies decreased \$1,286,802. Imperial, Dominion and United States Governments Accounts decreased \$1,936,475, largely owing to the fact that there was included in the 1931 accounts \$1,447,223 due from the Dominion Government in connection with unemployment relief and paid in 1932. Special Deposits of \$1,710,195 consist of cash and securities deposited in connection with short term notes and equipment obligations. Cash in Hand and Dominion Government Bonds decreased \$8,803,223.

On the Liabilities side the funded debt increased \$12,500,000 owing to the issue of Convertible Ten Year Six Per Cent. Collateral Trust Bonds. Short Term Notes increased \$5,000,000. Equipment obligations decreased \$4,290,000 by reason of payments made during the year. The Deferred Liability of \$1,447,423 represents a loan from the Dominion Government on account of unemployment relief and is repayable without interest when the Company shall resume payment of dividends at more than the rate of five per cent. per annum. Reserves, as a whole, increased \$3,723,629, due mainly to the special transfer from surplus of \$4,000,000 as an investment reserve. Changes in Land Surplus and Surplus Revenue are as detailed on page 16 of the Report. Working Assets at the end of the year were \$52,811,144, and Current Liabilities \$14,311,257, a ratio of 3.7 times.

The decline in traffic witnessed during 1932 has continued through the first quarter of 1933. Gross Revenues in January were 16.6 per cent. below those of the preceding year, 21.5 per cent. in February and 14.3 per cent. in March, the aggregate decrease for the three months being \$4,947,331 or 17.3 per cent. Expenses have been reduced by \$4,227,395, or 16 per cent., resulting in net earnings of \$1,297,479, or \$719,936 less than last year.

In the endeavor to foster passenger travel your Company has instituted special excursions at very low rates. A certain definite success has been met with in attracting a large volume of short distance travel in this way, which has proved profitable, but it is obvious that this method of developing new business has its limits, since, under present conditions, the number of people in a position to travel is greatly reduced.

An experiment is also being made in combined rail and motor transportation of freight. The experiment has been confined to

the more densely settled part of the country in the western peninsula of Ontario, but sufficient time has not elapsed to form an accurate judgment of its results.

The operations of your Steamship Company during 1932 on the Atlantic and Pacific resulted in a somewhat better showing than during 1931. This, however, was due largely to drastic reductions in expenses. In view of the situation every effort was made to curtail expenditures by reductions in sailings, reductions in wages, pilotage and in every other way possible.

In common with the experience on all international trade routes, overseas passenger traffic to and from Canadian Atlantic and Pacific ports decreased in 1932 compared with 1931. There was a small increase in passenger traffic from Canadian ports to Europe, but the westbound movement declined by 14.7 per cent. Westbound Atlantic traffic continues to be affected adversely by the general economic conditions in Europe, and our fleet which was designed in some measure to facilitate the transportation to Canada of settlers approved for immigration by the Dominion Government is particularly affected by the decrease in the number of immigrants to Canada which declined from 133,141 in 1929, to 6,882 in 1932.

In view of the serious shortage of traffic on our established routes steps were taken to find other employment for your ships and our efforts have been successful. Cruises were operated from Canada and the United States as in previous years, and there was a new development in short sea cruises from the United Kingdom. It is extremely satisfactory to note that no fewer than 25,221 people enjoyed a sea cruise on Canadian Pacific Steamships during 1932. This cruise employment enabled us to make use of several of our vessels at an actual profit, which vessels would otherwise have been laid up at heavy expense. Apart from the revenue obtained, these cruises have the advantage of bringing to the attention of the travelling public the high standard of the Canadian Pacific fleet, its personnel and service. Canadian Pacific cruising ships in 1932 visited 87 world ports and the passenger lists contain the names of representatives of many different nationalities. The "Empress of Britain" completed at Southampton on April 19th her second World Cruise and it is estimated 50,000 people visited the ship at her numerous ports of call.

In our regular services, it is gratifying to record that we maintained our leading position in passenger carryings to and from Canadian Atlantic ports,—we conveyed 59.8 per cent. of the traffic to and from Europe with only 35.2 per cent. of the aggregate departures and arrivals of all steamship lines. On the Atlantic the "Empress of Britain" improved her position both in speed and in traffic returns. In June 1932 the Empress crossed from Father Point to Cherbourg in the record time of 4 days, 7 hours, 58 minutes. Her average speed for 1932 is excelled by only two other merchant vessels in the world. With a sea and air service, letters from—

England were delivered at Montreal in 3 days, 22 hours; Ottawa 4 days; Vancouver 6 days, 3 hours. Compared with 1931, the Britain in 1932 made one more westbound sailing and two more eastbound sailings, and increased her carryings for the year by 4,156 passengers.

During a period of unexampled world economic conditions it is natural that a severe strain should be placed upon the long established passenger conference agreements under which the Atlantic Lines operate. In the Spring of 1932 the agreements were temporarily abandoned as a result of differences of opinion as to the value of low rates in the creation of traffic from the United States and Canada. Radically reduced rates followed and were in operation from April until December, 1932, and it is of interest to remark that compared with a similar period in 1931 the higher classes of eastbound traffic of all North Atlantic Lines showed a decrease of 27 per cent., while Tourist Class and Third Class increased by 11.2 per cent.

Within the last ten years the construction of 20 large liners designated and rated as Cabin ships, and the conversion from a First Class designation to Cabin of 19 large vessels which were built originally as high grade First Class ships, has destroyed the equilibrium of the Atlantic rate structure. Of the 61 Cabin ships employed on the Atlantic, many excel in size, speed and accommodation, some of the 19 ships now charging higher fares on account of their being advertised with a First Class designation. There is some foundation for the belief that the old established Atlantic system of rating ships to enable all Lines to have an equitable share of traffic has outlived its usefulness, and the rate situation cannot be regarded as stabilized until a new basis of rating ships has been secured.

On the Pacific our fleet withstands competition of the most acute nature from ships which have been built with financial aid from Governments, and which could not continue in successful operation were it not for large mail subsidies provided by benevolent taxpayers. The effect of this subsidized competition is felt particularly by the Canadian-Australasian Line in which we have a financial interest. Despite these handicaps the Canadian Pacific ships maintain their relative position for competitive traffic to and from the Orient. During 1932 on each round trip of our Trans-Pacific Empresses an average of 1,386 people were conveyed as full voyage or part voyage passengers. The introduction of calls at Honolulu by our Trans-Pacific Empresses has been a success. Since we established the calls three years ago, 12,411 passengers on our ships have embarked or disembarked at that port.

Freight tonnage and revenue on the Atlantic both show a small decrease as compared with the previous year.

Small foreign tramp ships are finding their way in increasing numbers to the Great Lakes, with the result that the regular steamship lines trading to and from Canadian ports have been forced to

meet this competition. In this connection it should be pointed out that these foreign tramps have free use of the St. Lawrence Canals and leave practically no money in this country. The attention of the Government has been called to this situation.

The Imperial Conference Agreements concluded at Ottawa in August 1932 have benefited your ships and greater benefit should result as time goes on. The recent trade treaty with Germany should also tend to an increase of trade with that country.

Freight tonnage carried to and from the Orient is approximately the same as in 1931, but owing to disturbed conditions and excessive competition freight revenues on the Pacific were down about 10 per cent.

Your Company's fleet, I think it can be claimed without fear of contradiction, is one of the best balanced in the world and the innovations in methods of propulsion have been in advance of the engineering practice adopted by any other Lines up to the time the ships were built. The "Empress of Britain" and "Empress of Japan," to cite two outstanding examples, are to-day in relation to results achieved the most economically operated vessels afloat.

The results in saving in fuel consumption and repairs have surpassed our hopes. Experiments are under way which promise to cut still further the cost of propulsion.

I am glad to say that during the period under review there was no major accident to any vessel of the Company's fleet.

Your hotel system and interest in other hotels and resorts represents an investment of 5.86 per cent. of the total of the Company's assets. In hotel construction the Company followed a policy adopted early in its history. The prime object of the hotels was to promote passenger traffic on rail and steamship lines. This they have accomplished, and in so doing have played an important part in bringing Canada to the favourable attention of the world and in stimulating tourist business which, in normal times, constitutes one of the greatest sources of revenue to this country. The net operating earnings of the Royal York, the largest unit in your system, since its opening in June, 1929 to the end of 1932 have aggregated \$1,500,000, and its value to the Company in added prestige and goodwill has been very substantial. While in 1932, generally regarded as the worst year from a travel and hotel standpoint experienced in North America, the operation of your hotel system for the first time showed an operating loss after all taxes, there is nothing to indicate that the permanent success of your hotel enterprise is more than temporarily interrupted.

The Annual Report deals generally with the situation arising out of the legislation following upon the report of the Royal Commission on Transportation. In the opinion of myself and the directors of the Company it is extremely doubtful if the legislation will be productive of economies to the extent necessary to remedy the railway situation. The Government has intimated that the

recommendations of the Commission should be given a fair trial and your Company, through its directors, has given its assurance that it will wholeheartedly co-operate with the Government railways in an effort to eliminate duplication in services and wasteful practices. Substantial progress has already been made and the joint efforts of the companies will, I am satisfied, continue with sincerity of purpose and with mutual good faith.

Your directors have expressed, through me, their apprehension of the dangers of the present situation and their views as to the solution of what constitutes our gravest national problem. Their views are based upon a most careful consideration of Canada's transportation situation, have been unchanged for more than a decade, and have remained unaltered throughout all fluctuations in your Company's operating results.

It is a matter of great disappointment that your Company's long dividend record was interrupted last year. Dividends were paid on the Preference Stock at the rate of four per cent. per annum since the first issue of the stock in 1893 down to and including the first half of 1932. On the Ordinary Stock dividends were paid without interruption from 1882 down to 1931; for the years 1911 to 1931 the rate was ten per cent. per annum, and for 1931 five per cent. per annum.

It was inevitable, however, that with earnings at the extraordinary levels of the last two years, dividends could not be continued with safety. The policy of your directors has been one of careful, deliberate and progressive retrenchment in order to meet the conditions of the times, and this policy will be continued in order that every avenue of economy may be explored. I believe it will have your approval as the best means of conserving your interests.

Before you next assemble in annual meeting a considerable amount of financing will be necessary, and there will therefore be proposed for your consideration a resolution authorizing the issue of additional Consolidated Debenture Stock to permit the liquidation of the Company's short term loans mentioned in the Annual Report, and other maturing obligations.

To finance the obligations I have mentioned, and provide for other capital requirements, it will be necessary, if present market conditions continue throughout the year, to issue a substantial amount of Consolidated Debenture Stock to be utilized as collateral security to such issues as may be found to be necessary. Owing to the uncertainty of events it would be wise, I suggest, to confer the amplest authority on your directors for the issue of such stock.

I would like to conclude these remarks by a reference to the future of the Company. The shareholders will appreciate that their property is in excellent physical condition, that its financial structure is on a conservative basis and that its organization and personnel are competent and adequate. With these fundamental requirements to efficient operation fully satisfied, there remains but

one thing lacking to a resumption of normal earnings and that is increased traffic. If we are correct in our estimate that more normal traffic conditions will not be long deferred there is no reason to be apprehensive of the Company's ultimate earning power. It will feel almost immediately any improvement in conditions and is fully equipped to take advantage of them. I am very hopeful it will then continue to enjoy a prosperity very similar to that of former years.

52nd ANNUAL REPORT OF THE C.P.R.

The accounts of the Company for the year ended December 31, 1932, show the following results:—

Gross Earnings	\$123,936,713.77
Working Expenses (including all taxes)	103,846,729.16
Net Earnings	\$ 20,089,984.61
Special Income	4,537,425.72
	<hr/>
Deduct Fixed Charges	\$ 24,627,410.33
	23,619,529.45
Surplus	<hr/>
Contribution to Pension Fund	\$ 1,007,880.88
	750,000.00
Balance transferred to Surplus Revenue Account	<hr/>
	\$ 257,880.88
Half-yearly dividend on Preference Stock of 2 per cent., paid October 1, 1932	<hr/>
	\$ 2,745,138.42

SPECIAL INCOME FOR YEAR ENDED DECEMBER 31, 1932

Net Revenue from Miscellaneous Investments (Page 20)	\$ 37,450.00
Interest on Deposits, Interest and Dividends on Other Securities, Exchange, and results of Separately Operated Properties	2,962,782.31
Net Earnings Ocean and Coastal Steamship Lines	1,034,354.28
Net Earnings Commercial Telegraph and News Departments, Hotels, Rentals and Miscellaneous	502,839.13
	<hr/>
	\$ 4,537,425.72

Earnings and Expenses. Your directors regret that the accounts again show a decline in net revenue. The following table of comparison will show the progressive decline of gross and net income of the railways of your Company since 1928. For the purposes of this comparison the figures for the years prior to 1932 have been restated to include the operations of the subsidiary steam railways not included in railway accounts prior to that year.

Year	Gross Earnings	Working Expenses (Including Taxes)	Net Earnings
1928.....	\$241,978,461.33	\$189,028,331.53	\$52,950,129.80
1929.....	223,320,906.54	178,406,920.47	44,913,986.07
1930.....	190,100,272.08	151,074,420.16	39,025,851.92
1931.....	147,846,118.93	122,421,352.43	25,424,766.50
1932.....	123,936,713.77	103,846,729.16	20,089,984.61
Decrease from 1928.....	118,041,747.56	85,181,602.37	32,860,145.19

It will be seen that the recession of gross income in the period has been \$118,041,747.56 or 48.78 per cent. This may be attributed entirely to the trade depression throughout the world, in which your

Company has merely shared the fate of all industries. No possible effort has been spared to maintain and develop traffic, but it will be appreciated that gross earnings, except within very narrow limits, are beyond control of the management.

It will be noted also that working expenses have been steadily reduced, the total reduction for the period being \$85,181,602.37, or 45.07 per cent., but it will be appreciated that the necessity of maintaining the property and of providing adequate public service set a limit beyond which reductions cannot be carried. The greater part of the reduction in expenses which every year has shown, can be ascribed to the policy of economy and retrenchment instituted by your directors soon after the trade depression made its appearance. Following, as it did, upon the economies of previous years, the reduction in working expenses in 1932 of \$18,574,623, or 15.17 per cent. below those of the preceding year as against a reduction in gross earnings of \$23,909,405, or 16.17 per cent., must be regarded as gratifying. It is gratifying also to be able to state that this result was attained without impairment of the property, or detriment to the public service. The working expenses for the year, including all taxes, amounted to 83.79 per cent. of the gross earnings, as compared with 82.80 per cent. in 1931. Excluding taxes, the ratio of working expenses to gross earnings was 80.42 per cent. and in 1931, 80.01 per cent.

As a result of improvements in car and train tonnage, increase in the speed of freight trains, and saving in fuel consumption and overtime payments, the train cost of hauling one thousand tons of freight one mile was reduced to \$1.12 as compared with \$1.22 in 1931. In the maintenance of rolling stock the policy of working the main shops for limited periods in accordance with service requirements was continued, and it is satisfactory to be able to state that 93.3 per cent. of the Company's freight cars and 84.7 per cent. of its freight and passenger locomotives are in serviceable condition as compared with 87.4 per cent. and 71.3 per cent. respectively on Class 1 railroads of the United States. With the lower cost of materials and supplies, a reduced scale of wages, and favourable weather conditions during the year, the Company was able to maintain road and structures at \$2,890,000 less than in 1931. It was considered also that a severe cut could be made in advertising and other traffic expenses, and a large saving was made in these items.

The ten per cent. reduction applied to the majority of the payrolls in 1931 was extended early in the year to the remainder of the payrolls, following negotiations with the employees affected, and on October 1, an additional fifteen per cent. reduction in the salary of the President and fees of the directors, and an additional ten per cent. reduction in salaries of officers and employees in supervisory positions were applied. Your directors took steps also toward the application of the additional ten per cent. reduction to other classes, and negotiations with employees to be affected are now in progress. When these are effective in accordance with the Company's proposal,

the additional reductions will, on the basis of the payrolls for 1932, represent a saving of approximately \$7,500,000 per annum.

As a result of investigations concluded toward the end of the year, a further consolidation of official positions and reorganization of clerical forces has been made, which it is believed will result in a saving of approximately \$1,500,000 per annum.

Your directors cannot conclude this recital of the Company's affairs without paying tribute to the loyalty and zeal of all officers and employees, and their willingness to accept all changes which the conditions of the times required.

Special Income. What has been said in regard to rail income and expenses applies in all respects to Special Income Account. In steamship operation the results were somewhat better than last year, but hotels and telegraphs both show a heavy decline. There was also a decrease in revenue from investments, owing in large part to the fact that no dividend was declared by the Consolidated Mining and Smelting Company, Limited, during the year. Interest on deposits declined, owing to reduction of rate and reduction of amount on deposit.

Land Sales. Sales of agricultural lands for the year were 59,581 acres for \$803,663.52, an average of \$13.49 per acre. Included in these areas were 5,910 acres of irrigated land which brought \$42.15 per acre, the remainder averaging \$10.33 per acre.

Accounts. In view of the unsatisfactory results of controlled lines in the United States an appropriation of \$4,000,000 has been made from surplus as a reserve to provide for the possible future writing down of investments in these properties.

A provision of \$500,000 from the current year's income account for steamship replacement, was deemed sufficient in view of the amount already standing to the credit of the reserve for that purpose.

The unemployment situation having shown no improvement during the past year, the Company continued to lend aid to the extent of anticipating repair work. The expense in connection therewith is being taken into the Company's income accounts at the time the work would in ordinary course have been performed.

From time to time in past years, your Company, either as part consideration for its acquisition of control of certain separately operated subsidiaries, or for their subsequent financing, entered into certain guarantees of their securities. A table showing the extent of your Company's obligations arising from these transactions is included in the financial statements of the report. Statements showing surplus revenue account, land surplus account and changes in property investment are also included.

Dividends. With the greatest regret, your directors must announce that the general situation, and the result of the year's operation, preclude the possibility of any further distribution for the year 1932 to either Preference or Ordinary Stockholders. The excel-

lent wheat crop, the fourth largest in ten years, gave promise of an important increase in gross earnings, but the decline in the market which commenced early in October and continued to the end of the year, interrupted its movement, with the result that such traffic was only slightly better than in the corresponding period of 1931. With this decline in the basic industry of the country disappeared also the hope which had been entertained of an increase of general traffic. Your directors can only continue to exhort patience until the turn of the tide.

Capital Expenditures. In anticipation of your confirmation, your directors authorized capital appropriations, in addition to those approved at the last Annual Meeting, aggregating for the year 1932, \$426,730, and ask your approval of expenditures on capital account during the present year of \$1,609,787, of which amount \$1,310,500 represents the cost of materials already purchased and in stock. The following are the particulars of the principal items:—

Replacement and enlargement of structures in permanent form....	\$ 137,667
Extensions to existing buildings.....	5,720
Ties, tie plates, rail anchors, ballasting, ditching and miscellaneous roadway betterments	1,343,005
Replacement of rail in main and branch line tracks with heavier section	2,787
Additional terminal and side track accommodation.....	16,368
Improving coaling and watering facilities.....	2,500
Installation of automatic signals.....	4,400
British Columbia Coast Steamships.....	1,000
Additions and betterments to equipment.....	77,266

The remainder is required for miscellaneous works to improve facilities and effect economies over the whole system.

Issue of Securities. There were issued and sold during the year \$12,500,000 Convertible Ten Year 6 per cent. Collateral Trust Bonds, secured by pledge of Four Per Cent. Consolidated Debenture Stock of the par value of \$17,000,000, the holders being given the right at any time during the period ending September 15, 1937, to convert their bonds into shares of the Ordinary Capital Stock of the Company in the ratio of four shares to One Hundred Dollars principal amount of the bonds.

Owing to financial market conditions no Preference Stock or Consolidated Debenture Stock was sold during the year, your directors deeming it advisable that the Company's requirements should be met by short term loans. These loans amount to \$30,000,000, secured by pledge of \$40,000,000 Consolidated Debenture Stock, and \$5,000,000 bonds of Lucerne-in-Quebec Community Association.

For the purpose of meeting maturing obligations and providing for capital and other requirements of the Company, your directors recommend that your authority be given to the issue of Consolidated Debenture Stock, to be disposed of by way of sale or by pledge as security for loans, as market conditions and circumstances may warrant.

Minneapolis, St. Paul and Sault Ste. Marie Railway. Business conditions throughout the territory in which your subsidiary the Minneapolis, St. Paul and Sault Ste. Marie Railway Company operates were at a similar low ebb as in Canada. Its gross earnings were only \$12,596,141, the lowest since 1908, although more than eight hundred additional miles of railway were in operation. To meet the deficit the Minneapolis, St. Paul and Sault Ste. Marie Railway Company borrowed \$6,117,361 from the Reconstruction Finance Corporation and the Railway Credit Corporation of the United States, your Company guaranteeing the payment of the loans to the extent of \$2,000,000.

For some years the Wisconsin Central has not been earning its fixed charges, and recently has failed to earn even operating expenses. As owner of practically all of its capital stock and a large amount of its bonds, and guarantor of some of its obligations, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company met these deficits in order to keep the line in operation. Toward the end of the year, being unable to make further advances, the Minneapolis, St. Paul and Sault Ste. Marie Railway Company suffered the line to go into receivership. It is, however, continuing to operate the railway for the receiver.

Agreements. Your confirmation and approval will be asked of the following agreements made by your directors during the past year:

1. Agreement dated November 15, 1932, between your Company of the one part and The Canadian Northern Railway Company and Canadian National Railway Company of the other part, whereby The Canadian Northern Railway Company and Canadian National Railway Company are given the joint use and enjoyment of the portions of your line between Youngstown and Coronation, the Coronation Terminals and between Coronation and Alliance, all in the Province of Alberta, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20 per cent., of maintenance and operation expenses.

2. Agreement dated November 15, 1932, between The Canadian Northern Railway Company and Canadian National Railway Company of the one part and your Company of the other part, whereby your Company acquired the right to use a portion of the main line and the passenger station and freight shed of the Canadian National at Youngstown, Alberta, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20 per cent., of the maintenance and operation expenses.

3. Agreement dated November 15, 1932, between The Canadian Northern Railway Company and Canadian National Railway Company of the one part and your Company of the other part, whereby your Company acquired the right to use the line of the Canadian National from North Battleford through Hamlin to Glenbush and from Glenbush to Medstead, all in the Province of Saskatchewan, on the basis of paying one-half the interest charge on capital account and a wheelage proportion, with a minimum of 20 per cent., of the maintenance and operation expenses.

Royal Commission on Transportation. The Royal Commission on Transportation, to the appointment of which reference was made last year, concluded its work in September. Its Report, which has been widely published, contains the results of an exhaus-

tive study of all phases of the subject. Of necessity, owing to their place in the transportation field, the Report deals mainly with the development and operation of the Government Railways and those of your Company since 1922, when the various government lines were consolidated. In its conclusions, the Commission pronounced in favour of the continuance of competition between the two undertakings, mitigated as to some of its effects, by co-operative effort. It was recommended that a statutory duty should be imposed upon them to "adopt as soon as practicable such co-operative measures, plans and arrangements as shall, consistent with the proper handling of traffic, be best adapted to the removal of unnecessary or wasteful services or practices, to the avoidance of unwarranted duplication in services or facilities, and to the joint use and operation of all such properties as may conveniently and without undue detriment to either party, be so used."

To enforce this duty, the Commission recommended that Arbitral Tribunals be set up for each occasion, composed of the Chief Commissioner of the Board of Railway Commissioners and of one representative of each of the two Railways, with the addition, if requested by either party in matters of major importance, of two additional members nominated by the Exchequer Court of Canada; the decision of a Tribunal to be final and binding, except on questions involving jurisdiction. Among the subjects over which the Arbitral Tribunals are to have jurisdiction are the following:

- (a) Joint use of terminals.
- (b) Running rights and joint use of tracks where there are actual or functional duplications, or where such may be avoided.
- (c) Control and prohibition in respect of the construction of new lines and provision of facilities and additional services where no essential need of the public is involved.
- (d) The joint use of facilities where this would promote economy or permit the elimination of duplicating or unremunerative services or facilities.
- (e) Abandonment of lines, services or facilities.
- (f) Pooling of any part or parts of freight traffic or of passenger traffic.
- (g) Things necessarily incidental to the above enumerated matters.

It having been announced in the Speech from the Throne at the opening of the parliamentary session in October, that a Bill would be introduced by the Government to give effect to the recommendations of the Royal Commission, your directors took early occasion to present to the Government and to Parliament their views upon the subject. Accompanying this report will be found a transcript of a statement which, by direction of your directors, was made to the Standing Committee on Railways, Telegraphs and Harbours of the Senate of Canada on November 17th, in which these views are set forth at length.

It will be noted that it is the feature of compulsory arbitration of differences upon co-operative measures to which your directors took exception, since such measures necessarily involve questions of con-

trol and administration of the Company's undertaking. With the principle of co-operation on a voluntary basis your directors are in hearty accord, and, to give it the fullest effect, your directors and officers have been in steady conference with the directors and officers of the Government Railways to devise and agree upon measures which will be productive of mutual economies.

Stock Holdings. The holdings of the Ordinary and Preference Stocks of the Company in December, 1932, were distributed as follows:—

	Ordinary		Preference		Percentage of Ordinary and Preference combined
	No. of holders	Percentage of Stock	No. of holders	Percentage of Stock	
Canada	35,101	19.50	87	.49	13.88
United Kingdom and other British	21,585	46.29	27,176	97.81	61.53
United States	16,492	28.03	31	.57	19.90
Other Countries	4,722	6.18	188	1.13	4.69
Total	77,900		27,482		

Retiring Directors. The undermentioned directors will retire from office at the approaching Annual Meeting. They are eligible for re-election:

MR. E. W. BEATTY
MR. W. A. BLACK
HON. F. L. BEIQUE, K.C.
RT. HON. LORD SHAUGHNESSY, K.C.

For the Directors,

E. W. BEATTY,
President.

Montreal, March 13, 1933.

EXECUTIVE COMMITTEE

MR. EDWARD W. BEATTY	HON. FREDERICK L. BEIQUE, P.C., K.C.*
SIR CHARLES GORDON, G.B.E.	MR. GRANT HALL
SIR HERBERT S. HOLT	MR. W. N. TILLEY, K.C.

BOARD OF DIRECTORS

MR. EDWARD W. BEATTY	Montreal
HON. FREDERICK L. BEIQUE, P.C., K.C., SENATOR*	Montreal
MR. W. A. BLACK	Montreal
COL. HENRY COCKSHUTT	Brantford
SIR CHARLES GORDON, G.B.E.	Montreal
MR. GRANT HALL	Montreal
MR. JOHN W. HOBBS	Toronto
SIR HERBERT S. HOLT	Montreal
RT. HON. REGINALD MCKENNA	London, Eng.
MR. ROBERT S. McLAUGHLIN	Oshawa
MR. ROSS H. McMASTER	Montreal
COL. FRANK S. MEIGHEN, C.M.G.	Montreal
MR. E. R. PEACOCK	London, Eng.
MR. JAMES A. RICHARDSON	Winnipeg
RT. HON. LORD SHAUGHNESSY, K.C.	Montreal
MR. ROBERT C. STANLEY	New York
MR. W. N. TILLEY, K.C.	Toronto
MR. W. J. BLAKE WILSON	Vancouver

*Since deceased.

GENERAL BALANCE SHEET

DECEMBER 31st, 1932

ASSETS

PROPERTY INVESTMENT:

Railway, Rolling Stock Equipment, Lake and River Steamers and Hotels	\$871,789,071.34	
Ocean and Coastal Steamships	116,408,253.10	
Acquired Securities (Cost)	178,868,015.71	
		\$1,167,065,340.15

ADVANCES TO CONTROLLED PROPERTIES AND OTHER INVESTMENTS

14,510,776.25

INVESTMENTS AND AVAILABLE RESOURCES:

Deferred Payments on Lands and Townsites	\$ 50,870,516.27	
Provincial and Municipal Securities	792,721.29	
Miscellaneous Investments, (Page 20), Cost	33,303,263.64	
Assets in Lands and Properties	55,795,581.95	
		140,762,083.15

INSURANCE PREMIUMS PAID IN ADVANCE.....

216,669.01

WORKING ASSETS:

Material and Supplies on Hand	\$ 20,195,758.95	
Agents' and Conductors' Balances	3,986,902.23	
Net Traffic Balances	584,308.67	
Imperial, Dominion and United States Governments, Accounts due for Transportation, etc.	859,200.64	
Miscellaneous Accounts Receivable	10,301,288.14	
Special Deposits	1,710,194.85	
Cash in Hand	15,173,490.69	
		52,811,144.17
		<u>\$1,375,366,012.73</u>

LIABILITIES

CAPITAL STOCK:

Ordinary Stock	\$335,000,000.00	
Four Per Cent. Preference Stock	137,256,921.12	
		\$ 472,256,921.12

FOUR PER CENT. CONSOLIDATED DEBENTURE STOCK

Less: Collateral as below*	\$455,911,548.74	
	164,500,000.00	
		291,411,548.74

TEN YEAR 5% COLLATERAL TRUST GOLD BONDS (1934)*...

		12,000,000.00
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TWENTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1946)*

		20,000,000.00
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TWENTY-FIVE YEAR 5% COLLATERAL TRUST GOLD BONDS (1954)*

		30,000,000.00
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THIRTY YEAR 4½% COLLATERAL TRUST GOLD BONDS (1960)*

		25,000,000.00
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CONVERTIBLE TEN YEAR 6% COLLATERAL TRUST BONDS (1942)*

		12,500,000.00
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TWENTY YEAR 4½% SINKING FUND SECURED NOTE CERTIFICATES (1944).. \$ 30,000,000.00

Less: Purchased by Trustee and cancelled	8,464,200.00	
		21,535,800.00

Less: Amount held by Trustee.....

	12,242.10	
		21,523,557.90

MORTGAGE BONDS:

Algoma Branch 1st Mortgage 5 per cent.		3,650,000.00
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Lacombe & Blindman Valley Railway 1st Mortgage 5 per cent.		273,700.00
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SHORT TERM NOTES*

		30,000,000.00
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EQUIPMENT OBLIGATIONS

	\$ 47,850,000.00	
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Less: Securities on hand with Trustee....

	6,000,000.00	
		41,850,000.00

CURRENT:

Audited Vouchers	4,722,604.20	
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Pay Rolls	2,481,233.04	
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Miscellaneous Accounts Payable	5,717,741.68	
		12,921,578.92

ACCRUED FIXED CHARGES

		1,389,678.33
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DEFERRED:

Dominion Government Unemployment Relief		1,447,222.71
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LIABILITIES—Continued

RESERVES:

For Equipment Replacement	9,419,677.75	
For Steamship Replacement	27,780,437.10	
For Contingencies (net)	2,785,433.21	
For Investments	4,000,000.00	
For Exchange on Working Assets and Current Liabilities	727,790.81	
		44,713,338.87

PREMIUM ON CAPITAL STOCK SOLD (LESS DISCOUNT ON BONDS AND NOTES)	66,390,903.49
LAND SURPLUS	120,967,867.17
SURPLUS REVENUE	167,069,695.48

\$1,375,366,012.73

L. B. UNWIN,
Comptroller.

NOTE:

The Balance Sheet is expressed in Canadian Currency—Currencies other than Canadian having been converted at the par of exchange.

AUDITORS' CERTIFICATE.

We have examined the Books and Records of the Canadian Pacific Railway Company for the year ending December 31, 1932, and having compared the above Balance Sheet therewith, we certify that, in our opinion it is properly drawn up so as to show the true financial position of the Company at that date, and that the statements of Income and Surplus Revenue correctly set forth the result of the year's operations.

PRICE, WATERHOUSE & CO.,
Chartered Accountants, (England).

Montreal, March 10, 1933.

CANADIAN BUSINESS AND FINANCE IN 1932

ANNUAL ADDRESSES AND REPORTS

OF THE

BANK OF MONTREAL*

The 115th Annual General Meeting of the Shareholders of the Bank of Montreal was held on Dec. 5, 1932, in the Board Room of the Bank's Headquarters in Montreal, Sir Charles Gordon, G.B.E., in the chair. The Annual Report of the Board of Directors was read by the Joint General Manager, Mr. W. A. Bog, as follows:

Profit and Loss Account

Balance of Profit and Loss Account, 31st October, 1931	\$1,103,426.95
Profits for the year ended 31st October, 1932	4,663,100.60
	<hr/>
	\$5,766,527.55
Quarterly Dividend 3 per cent. paid 1st March, 1932	\$1,080,000.00
Quarterly Dividend 3 per cent. paid 1st June, 1932	1,080,000.00
Quarterly Dividend 2½ per cent. paid 1st Sept., 1932	900,000.00
Quarterly Dividend 2½ per cent. payable 1st Dec., 1932	900,000.00
	<hr/>
	\$3,960,000.00
Provision for Taxes Dominion Government	457,671.05
Reservation for Bank Premises	100,000.00
	<hr/>
	4,517,671.05
Balance of Profit and Loss carried forward	\$1,248,856.50

During the fiscal year, one office was opened and thirty-six offices were closed throughout the Dominion of Canada. Three branches in Mexico have also been closed.

The Board accepted with regret the resignation of the Right Honourable Lord Strathcona and Mount Royal as a member of the London Advisory Committee.

All the offices of the Bank, including the Head Office, have been inspected during the year.

**Address of
Sir Charles
Gordon, G.B.E.,
President**

The report of the business of your Bank for the year ended October 31st, which has just been read, will, I trust, be deemed satisfactory, having regard to the difficult conditions prevailing throughout the period. We have been confronted with declining trade, dislocated foreign exchange, lessened demand for banking accommodation and low rates of interest in the world's monetary centres; yet we have managed to earn fair profits, to preserve a strong liquid position and to meet the legitimate requirements of our customers.

*NOTE.—For a History of the Bank of Montreal, see Supplement to *The Canadian Annual Review*, 1910; for succeeding Addresses and Reports, see Volumes 1911 to 1932.

Before moving the adoption of the report, I desire briefly to survey conditions both here and abroad. The decennial revision of the Bank Act, which precedes the renewal of our bank charters, is not to be made until the next session of Parliament. Meantime, indeed for many months past, discussion of the monetary question has been rife, and in some quarters there is advocacy of a central national bank, after the pattern of the Federal Reserve Bank in the United States; of restriction of note circulation to direct agencies of the Dominion Government; and of the introduction of inflationary measures by Government issues of irredeemable Dominion notes.

Now, in the first place, I submit, there is no need of a central bank in Canada. For all practical purposes, such an agency already exists in the Finance Act, under the provisions of which the chartered banks borrow at the Finance Department and obtain such amounts of Dominion notes as may be required. For these advances the banks pay interest. This legislation has been in operation eighteen years and admirably performs its purpose.

In the second place, monopoly of the note issues by the Government would not increase by a single dollar the amount of currency in the hands of the public, unless the notes were made irredeemable and recklessly remitted regardless of the security and solvency of the borrower.

The shore of financial history is strewn with wrecks of ventures in irredeemable paper money, from the time of the French Revolution in the 18th century down to the days of the Great War and subsequent years. If there is one fact in finance more firmly fixed than another, it is the certainty that the unrestricted issue of paper currency culminates in disaster. I may point out, moreover, that we in Canada do not suffer from inadequate credit or inadequate currency. Trade has contracted in volume and value to a degree where much less currency and credit are required for its conduct. Our banks welcome borrowers to whom they can safely lend, and as trustees of depositors from whom their loaning resources are derived, banks ought not to lend on any other condition.

Upon the subjects of a central bank, the revision of the Bank Act and also the tying up of the dollar with the pound, much has been said and written of late. All these questions are difficult for the lay mind to grapple with, and it is not my purpose to deal with them at this time in detail.

So far as our banking system is concerned, it is well to remember that not a single depositor has had to wait for a moment to get his money from a Canadian bank during the past year, while tens of thousands of depositors in the United States have had to wait in line, only to be told finally that their bank had closed its doors. This fact is an argument that will appeal to most people.

The Imperial Economic Conference. The outstanding event of the year has been the meeting at Ottawa of the Imperial Economic

Conference, made possible by the changed fiscal policy of the British Government. By consent of the delegates, who came from the four corners of the Empire, a new economic policy of profound significance to the future course of world trade was adopted. The agreements, by which the United Kingdom and the more important units of the British Empire have undertaken to trade on a basis of mutual preference, open up to the countries concerned trading vistas of vast significance, and, as far as Canada is concerned, it is impossible not to believe that highly beneficial results will accrue. Not only is Canada given a favoured place in the markets of the United Kingdom for the more important of her primary products, and not only does she secure free entry into the United Kingdom for a wide range of manufactured products upon which substantial duties are levied against other countries, but these advantages are secured to us for a definite period, long enough to test the efficacy of the agreement. In consideration of these advantages, Canada has given freer access to her markets for an extensive range of the products of the United Kingdom, both by enlarging the preference as between these products and those of foreign countries and by lowering the protection accorded many of her own industries. Canadian manufacturers on this account have been called upon to make substantial sacrifices, but I think I can say that in every case they have done so in a spirit of loyalty and co-operation, as their contribution to the common cause.

There has been during the last three years a somewhat constant decline in Canada's external trade, whether measured by volume or by value. In the twelve months ending with October 31st last, that trade amounted to \$989,000,000 against \$2,584,000,000 in the corresponding period in 1929, a decrease of about 60 per cent., but it is interesting, perhaps significant, to learn that the ratio of decline has lessened in recent months. Two features may be noted: Canada's commerce with Great Britain is again rising and our imports from the United States have fallen off. Factors causing a larger trade with Great Britain are: tariff exclusion of Canada's farm, forest and mine products from the United States, and the giving of tariff preferences to Empire products by Great Britain. Our adverse balance has been converted into a favourable one. In the twelve months to October 31st last, exports of domestic products exceeded imports by \$43,013,000, while in the like period a year ago imports were \$42,995,000 in excess of exports, so that the net gain amounts to \$86,008,000.

Conditions in Europe. In regard to conditions in Europe, especially as they affect the outlook for the recovery of international trade, it may be said that the Lausanne Agreement designed to reduce the burden of reparations, the ratification of which is subject to a revision of war debts, has provided the first evidence of practical co-operation between nations, and the forthcoming World Economic Conference will, it is hoped, mark a further advance in concerted

action and succeed in evolving measures that will permit of a freer movement of goods and money. Great Britain, since her departure from the gold standard some fifteen months ago, has recovered in large measure the confidence of the world, and although for the time being the ability of London to function as a financial centre is limited because of the existing hindrances to the free flow of credit, there is assurance that when these are overcome the invaluable experience and machinery that London can offer will again be availed of and will play their part in the reconstruction of the economic and financial fabric of the world.

During the year Great Britain has balanced her budget, has repaid the credits obtained from the United States and France to support the pound, and has effected a series of conversion operations totalling the vast sum of £2,500,000,000. These conversions will produce a saving to the Exchequer of £38,000,000 per annum in interest, will make for a lowering of interest on all borrowings, and it may be will permit a lightening of the burden of taxation that is bearing so heavily on the country. British Government securities now stand on a basis of about $3\frac{1}{2}$ per cent.

In connection with the decline of the pound sterling, changes in the cost of living, as measured by the purchasing power of the pound, have not been important, as the decline in the values of commodities and raw materials has kept pace with the decline in that purchasing power. This, of course, cannot be expected to go on indefinitely. In the meantime, however, there has been no important advance in the cost of living in the United Kingdom.

Conditions in the United States. In the United States, as a result of the increasing severity of the depression and the persistence of price declines, the number of commercial failures reached the highest total on record. Liabilities involved were also greater than in any previous year. Particularly sharp declines occurred in the iron and steel industries, and the output of automobiles and related lines dropped to the lowest level of a decade. Agricultural income suffered a sharp decline, owing to the decrease in prices of farm products. Evidence of this is found in the fact that the average value per acre of the ten leading crops was less than \$9 in 1932, as compared with over \$13 in 1930 and over \$19 in 1929. The year was marked by serious runs on banks, followed by many bank suspensions. In recent months remedial measures adopted by the Government have caused a sharp drop in such failures and reopenings of closed banks during this period equalled or exceeded the number of suspensions.

Owing to doubt of the stability of the American gold standard, heavy withdrawals of foreign balances took place at one period, causing an unprecedented demand for gold; all such demands were met, however, without weakening the financial structure of the country. At the peak of the demand in June last, the monetary gold holdings of the United States were reduced to \$3,919,000,000, as

against, average holdings of \$4,454,000,000 in 1926, considered a normal post-war year. Gold holdings are now back to \$4,260,000,000 and the flow continues inward.

It has been a problem to employ profitably that portion of the Bank's reserves carried in New York, as money rates have been extremely low.

Manufacture and Agriculture. In common with those of all other countries manufacturing conditions in Canada have been far from satisfactory. Outstanding in this respect has been the situation in regard to the pulp and paper industries which have headed the industrial list of the Dominion in wage and salary distribution since 1922 and have been the first in gross value of products since 1925. Canada's exports of newsprint have for years been second only to her exports of wheat, and it is unfortunate that over-development of productive capacity, combined with sharp reduction in demand, has reduced the industry to a non-profitable basis. Recent price-cutting has added to these disabilities and has shown more clearly than ever that there can be no permanent betterment until measures for co-ordinating production are put into effect. Leaders in the industry have been working earnestly and assiduously to this end and are well advanced in the intricate valuations and other compilations necessary as a basis upon which to formulate plans for a practical solution. Other major industries have felt the depression acutely during the year. The lack of export demand and the low ebb to which building construction has fallen have brought the lumber industry practically to a standstill. In the mining field, producers of silver, copper, lead, zinc and asbestos have laboured under great disadvantages owing to low world prices for their products, and the only branch of the industry which has advanced its position during the year is gold production. Unsatisfactory world markets have rendered fishery operations in the East relatively unproductive of profit, but on the Pacific Coast the salmon pack of approximately 1,050,000 cases is being marketed satisfactorily.

Among factories, those engaged upon cotton, woollen and artificial silk products have been fairly well employed, as also have boot and shoe factories. Public works are not being proceeded with on any large scale, and railway construction, together with the production of railway equipment and materials required for maintenance, once a large source of employment of labour, is at a standstill. Such indices as car loadings, railway earnings, bank clearings, bank debits and note circulation attest the recession in the volume of business. Hydro-electric development has reached the point of saturation, and until trade and industry take on more activity new projects are not likely to be undertaken.

The fall in commodity prices and the fluctuations in foreign exchange have dislocated the commerce of the year. The index number of commodity prices as a whole has declined in Canada from 100 in 1926 to 65.9 in October last, or by one-third. This recession

has hit hardest the agricultural classes, the prices of whose products have dropped to 44.9 from 100 in 1926, or more than one-half. In such circumstances, inducement to retailers to carry more than hand-to-mouth stocks is lacking. In the security markets the lowest point was reached in June, since which time there has been some betterment.

The harvest, notably of grain, in Canada was of good average, the 411,000,000 bushels of wheat produced in the three prairie provinces being 127,000,000 bushels in excess of last year's crop, and of coarse grains production was substantially larger than in 1931. The Western wheat crop moved rapidly, deliveries between August 1st and November 10th exceeding 230,000,000 bushels. It is unfortunate that the price of wheat has dropped to the lowest figure in the history of the Winnipeg Exchange, duplicating in this decline to new low levels the course of many other world commodities. There has been a large make of cheese, butter and other dairy products, and a greatly increased export of meats to Great Britain. The removal of restrictions on Canadian cattle imported into Great Britain as a result of the Ottawa Conference is expected to stimulate shipments to that market next season.

Public Debt and Taxation. The weight of public debt and taxation restricts trade. In less than two decades our Federal funded debt has increased from \$336,000,000 to \$2,500,000,000, or nearly eight-fold, while in the same period provincial and municipal debts have mounted in relative ratio. Seventeen years ago, no direct taxation was imposed by the Dominion Government; in the last fiscal year the amount raised by such levy was \$122,266,000, and within sixteen years provincial government taxation has risen from \$15,700,000 to \$125,000,000. I may point out that this is an annual levy of a quarter of a billion dollars for Dominion and Provincial Government obligations alone. In this connection I may mention that in 1931 a conversion offer was made by the Dominion Government in the nature of an exchange of the 5½ per cent. bonds due 1932, 1933 and 1934 for bonds of a new issue which would bear the same rate over the same period, and after that a rate of interest of 4½ per cent. The total amount converted was \$599,983,000. The interest charges on this sum at 5½ per cent. amounted to \$33,000,000 per annum. At 4½ per cent. the interest charges are \$27,000,000, so that after 1934 the interest saving as a result of the conversion operation will amount to \$6,000,000 per annum. Of the 1933 and 1934 issues there are still outstanding \$396,110,000, and if ways and means can be found for replacing this balance at or before maturity at a rate of 4½ per cent. the additional saving per annum will amount to \$4,306,000, or a total of over \$10,000,000.

It is a new experience for Canada to be confronted by the fact that the cost of government has become a major factor in the cost of doing business. Unemployment relief has, of course, added to the burdens, but even so, if government were strictly confined to its

appropriate functions, a large scaling down of expenditures could be accomplished. There is a disposition in many quarters to look to the government, both local and federal, for bounty in one form or another, but it should be remembered that a government of itself produces nothing. The funds it disburses are a levy on the business activities of the people, no matter what form taxation may take, and the heavier the burden the greater the difficulty of business revival. I am glad to be able to say that in many quarters active steps are being taken to reduce substantially government outlays, and it is to be hoped that this movement will spread until all classes of public expenditure are brought into relation with the actual tax-paying capacities of the people.

The Railway Situation. In the total public debt which I have quoted is included \$1,044,000,000 borrowed by the Dominion Government and loaned to the Canadian National Railways, but I have not included that other liability of the Dominion Government as guarantor for securities issued direct by the Canadian National Railways which amount to 970 millions of dollars, upon which and other funded debt of the Canadian National Railways, totalling \$306,000,000, interest of approximately \$56,000,000 was paid in 1931. The Canadian National Railways are costing the people \$5,000,000 monthly in interest on bonds of the Canadian National Railways in private hands, and about the same amount in interest on Dominion debt representing advances to the Canadian National Railways—a total of \$10,000,000 monthly.

Public ownership of more than half the railway mileage of Canada has increased the burden of general taxation and complicated Federal finances. In view of this serious state of affairs the Dominion Government appointed a Commission on Railways and Transportation to examine the situation. Following upon the report of this Commission, and the presentation to Parliament of a Bill drafted upon its recommendations, Parliament and the people of this country are now giving serious study to the whole railway situation.

The position is that, on the one hand, we have the Canadian Pacific Railway Company with a capital of \$1,100,000,000 composed of bonds, preferred and common stock subscribed for by the public, partly in Canada but for the most part abroad, not a dollar of which vast sum is guaranteed in any way, either as to principal or interest, by the people of Canada, and the payment of interest upon this capital depends entirely on the ability of the directors and management to make the road pay. This money has been used by the Canadian Pacific Railway Company to carry out the terms of its original contract with the Dominion made in 1881, which provided for the establishment of a perpetual service. It has been used, not only in the building of a railway and of all the services that go with it, but in the development of many other projects, such as immigration, agriculture, mining and other activities which have played a conspicuous part in the development of the country.

On the other hand, we have the Canadian National Railways, owned and operated by the Government, upon which the immense sums I have already mentioned, provided or guaranteed by the public exchequer, have been expended. This money has been used to build up a separate transportation system, but no matter how carelessly or how extravagantly it may be managed, every dollar of both principal and interest is guaranteed by the people of Canada.

Thus, in the first instance you have a property requiring the most careful management in order to make good, and on the other hand you have a property without a balance sheet; and no matter what the results may be, those investors who hold the obligations of the Dominion Government, representing expenditures upon the publicly owned system, need have no fear as to the payment of principal or interest, for the people pay these in any case.

The Bill now before Parliament, which in its present form proposes to place the control of both properties in the hands of arbitrary tribunals, is receiving challenge as an interference with the rights of the private company, and it is doubted that in its practical results such a Bill can achieve its object. It will be apparent that a scheme of co-operation and arbitration of differences under a system which continues the parties in competition presents difficulties, and it is to be feared that it would not effect the economies which the situation imperatively demands. It will be apparent, also, that the maximum of economy can only be obtained by a union of interests which will make united administration possible, and it is to be hoped that some plan may yet be devised to provide for this. Obviously, the more permanent such an arrangement can be made the more effective and advisable it will be.

The Outlook. In this brief sketch I fear that some may think I do not strike a very optimistic note. At this time last year most of us thought we were nearing the end of the depression and that during 1932 we would see a marked change for the better. Unfortunately, 1932 has seen a further recession in business, and any improvement that has taken place from the low point, which was reached in June last, has not been up to expectations.

It must be borne in mind, however, that the present depression is world-wide, few, if any, countries escaping, and that it has been most severe in the most highly developed countries; I mean those such as Canada, the United States, Great Britain and others that do a world-wide business and in which manufacturing, agricultural and other industries combine to make up the volume of trade.

I am asked the question every day, "Do you see any light in the situation and has there been any change for the better?" The answer to this must be very guarded, because although there has been a decided turn for the better in the stock market since June, during which month it reached its lowest point, and whilst the general financial situation is easier, still we have not seen that

improvement in general business or in railway car loadings which usually follows within a reasonable time the two changes I have mentioned. Nevertheless, I think I can truthfully say that Canada has come through the extreme depression and difficulties better than other countries in a similar economic position. We have managed to keep well in the middle of the road and must continue to do so. We require honest and efficient leadership in our railway policy for the future, as this is our most serious problem. We must continue to safeguard our financial and economic position to the very limit of our ability, hoping that the turn for the better is not far off and that the long road of depression will soon come to an end, with our country quickly responding because of the general soundness of its position.

**Address of Joint
General Manager,
Mr. W. A. Bog**

On behalf of Mr. Dodds and myself, I have the honour to present to you the one hundred and fifteenth annual balance sheet of the Bank.

A reflex of the further shrinkage in general business which has occurred throughout the Dominion this year is to be found in the figures submitted, which show that the Bank's assets now total \$769,200,000 against \$794,500,000 a year ago, a decrease of \$25,300,000. This decrease, I think you will agree, is a moderate one, in view of the state of domestic business, the large decline in foreign trade and the low levels to which all commodity values have fallen.

As illustrating the effect of the business situation on banking figures in general, the total debits of all banks in Canada to individual accounts for the 12 months ending 31st October last amounted to \$26,774,000,000, a decline of \$5,318,000,000.

Commercial failures in Canada for the year ending 30th September numbered 2,427, with liabilities of \$49,684,000. This compares with 2,258 failures, with liabilities of \$44,397,000 in 1931.

The Bank has maintained its traditional liquid position and this has been done without in any way curtailing the legitimate needs of our customers. The cash and quick assets that we held at the close of our bank year amounted to \$439,768,000, representing 63.46 per cent. of our total liabilities to the public. Of these assets actual cash, i.e. Government legals and coin, amounted to 12.22 per cent.

Call Loans at \$25,200,000 show a decrease of \$12,300,000. Those in Canada are down \$4,100,000, those abroad \$8,200,000. We hold in New York a substantial amount of United States Government short term obligations which are immediately realizable.

Our deposits in other banks are \$31,800,000, an increase of \$9,600,000.

Investments, not exceeding market value, amount to \$267,000,000, as compared with \$238,000,000 last year; the increase of

\$29,000,000 being entirely in Dominion and Provincial Government securities.

Current Loans in Canada (including advances to municipalities) total \$281,000,000, a decrease of \$41,000,000.

Current Loans elsewhere aggregate \$17,900,000, a decrease of \$5,100,000.

Bank Premises are shown at \$14,500,000, the same figure as in 1931.

In valuing our assets, ample provision has been made for all bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at \$36,000,000 and \$38,000,000 respectively.

Deposits total \$635,700,000, a decrease of \$21,100,000. Notice Deposits show a decrease of \$13,000,000, Demand Deposits a decrease of \$20,000,000 and Dominion and Provincial Government Deposits an increase of \$12,000,000.

Balances due to other Banks are \$13,000,000, an increase of \$900,000.

Profits amount to \$4,663,000 as compared with \$5,386,000 last year. The decrease of \$723,000 is in keeping with the reduced turnover of business generally and the lower rates earned on our reserve funds.

In the past we have published a half-yearly report at the end of April. We shall probably not continue this as it does not properly indicate the result of the full year's business.

On the 31st October we had 606 branches in operation.

A Difficult Year. The year through which we have just passed has been one of stress and anxiety to all nations of the world—there has been no exception. In Canada we have done better than most other countries but there are still many difficulties to overcome. The partial paralysis of international trade, induced principally by the determination of creditor nations not to accept payment of debts in goods, has adversely affected commodity prices and particularly those of natural products. All countries have been endeavouring to live within themselves—to do this they are producing all the necessities possible within their own borders and heavily taxing imports—high tariffs are the rule, many adopted, as those in Canada, in self-defence.

During the year the opportunity for safe and profitable employment of our funds has been greatly limited, resulting in lower net earnings notwithstanding many economies instituted, and the shareholders were probably not unprepared to learn that the directors had deemed it advisable to reduce the amount of dividend disbursement. While at first sight the present dividend of 10 per cent. may seem a high return, it must be remembered that the shareholders'

investment in the Bank is vastly greater than the simple total of capital on which the dividend rate is calculated. In addition to the capital there are a rest account and undistributed profits, the property of the shareholders, which are higher by several millions of dollars than the total capital. Our rest account is made up of undivided profits, which have been accumulating since the establishment of the Bank in 1817, and of stock premiums representing money actually paid in by shareholders which have reached as high as 100 per cent. Therefore, while the dividend is 10 per cent., as a matter of fact it works out on the total amount which the shareholders have invested in the Bank at a figure which is less than one-half this rate.

Our staff of over 6,000 have shared in the sacrifices that have been required, through the dropping of the salary bonus which we had for thirty years granted to them, as well as through the omission of increases. They have loyally co-operated with the management, thus showing their appreciation of the difficult conditions under which all financial institutions are operating and the advantages of steady employment with a pension when they retire, and in the case of married men, provision for widows and minor children.

Our new main office buildings in Ottawa and Calgary are now completed, and in appearance and equipment are fully in keeping with the standing of the Institution. This, for the time being, completes our building programme.

Trade and Commerce. Detailed reviews of agricultural, industrial and business conditions in the various provinces will be included in the printed reports of these proceedings. The reports will be mailed to shareholders and also will be available upon request to all who may be interested in receiving them. They show how serious has been the decline in practically every branch of business activity. As far as the agricultural industry is concerned, the outstanding feature has been the remarkably good yields, both in volume and quality, of the staple crops in nearly every part of the Dominion. Although prices of all farm products continue disappointingly low, excellent crops have brought some measure of compensation and, in the case of grain, resulted in greater activity in transportation. In the mining field the outstanding feature has been the continued increase in our gold production; the total production this year will reach \$60,000,000. In the field of transportation a feature has been the increasing importance of Vancouver as a seaport, shipments of grain from that port having been particularly heavy throughout the year.

A year such as the one under review is not conducive to vacation travel. Yet it is significant that the volume of the tourist traffic in Canada has been maintained in such degree that the Dominion stands out to-day as one of the premier tourist countries in the world from the standpoint of attracting outside visitors.

The past year has seen a continuation of the movement to establish in Canada branch industries for the manufacture of products that formerly were imported. In view of the preference now accorded to Canada in the markets of the Empire on a wide variety of manufactured goods, it may be expected that this movement will continue and that domestic trade in manufactures will be supplemented more largely than in the past by export trade, to the advantage of Canadian workmen.

Financial Conditions Abroad. In London the course of the year has been marked by a chain of developments that has brought about a remarkable change in money market conditions. A year ago the Bank of England rate stood at 6 per cent.—it is now 2 per cent. Call money was 5 per cent. against $\frac{1}{2}$ per cent. to 1 per cent. to-day, while the rate for three months Treasury Bills was $5\frac{1}{4}$ per cent. against 1 per cent. Money has been in superabundant supply, attributable to a restricted demand from trade and industry and for financial operations, and also to policy. This ease in money permitted great conversion operations, approximately 40 per cent. of the total internal debt, and moreover, has encouraged the repatriation of large foreign balances employed in London and left the market in a healthier condition.

The pound sterling has depreciated in terms of gold, although at one time it appeared that a fair measure of stability could be maintained notwithstanding the absence of a gold backing. It must be recognized, however, that London is almost the only centre off gold that has allowed freedom in trading and exchange.

During the process of the conversion loan operations an embargo was placed on capital issues in London, but this has now been partially relaxed so far as domestic and Empire needs are concerned.

In France during the year, trade and commerce, both internal and foreign, have been on a greatly reduced scale and many industries have also seriously felt the strain. Export trade is hampered by reduced purchasing power abroad and by high tariffs against France. Imports have fallen owing to the slowing up of manufacturing and also on account of the introduction of the quota system, notwithstanding which the visible adverse balance of trade for the ten months up to 31st October was Fcs. 8,329,000,000.

The highly successful conversion of several high interest Government issues into a $4\frac{1}{2}$ per cent. issue has been an important step towards placing the country's finances on a sounder and more economical basis.

In the United States, throughout the past year the scene in the financial world has been a shifting one, without parallel, and in industrial and agricultural pursuits continued falling prices and bewildering uncertainty have prevailed. The year has seen liquidation in commodity and security markets, wide-spread commercial and

banking failures, hoarding of currency and general impairment of confidence.

Early in the year, for a short time commercial and industrial activity showed a slight expansion, but thereafter for a number of months there was an almost steady and continuous decline, reaching a lower level than at any time in many years and covering all lines. It is gratifying to note that recently this decline has been somewhat checked—it is hoped and believed permanently.

There are still some disorganized situations and it seems probable that there will have to be additional taxation to balance the Federal budget. Nevertheless, the conclusion may fairly be drawn that the country is making slow but none the less steady progress towards recovery. The Presidential and Congressional elections are now past events and although there is to be a change in administration it is felt that this need cause no really disquieting thought.

The Bank Act. A matter which ordinarily would have come up for consideration at the present session of Parliament at Ottawa is the decennial revision of the Bank Act; but this has been postponed for a year awaiting the outcome of the World Economic Conference at which banking and monetary reform will be discussed.

Reform of the banking structure is not a real issue in this as in some other countries, not only because under the Finance Act Canada already possesses through Government channels those advantages which would come from a central bank if one existed, but also because the strength of the present banking structure has been the outstanding favourable feature of the business depression through which we have been passing.

If the circulation privilege were taken away from the banks, as has been mooted, I do not see how they could justify continuing many of their smaller branches, of which even now a large number are operated at a loss, for instead of holding their own notes for till money they would require to hold Government notes, which would be an added burden as it would mean that the banks would have to carry, over and above their necessary reserves, many millions of idle Government notes at a substantial sacrifice in revenue.

That the declining trend in commercial loans in Canada is due to deliberate restriction of credit by the chartered banks is a suggestion which has been advanced from time to time; but so far as your Institution is concerned, there has been no withholding of credit to those to whom we could safely lend our depositors' money. We have over one million deposit accounts in the Bank of Montreal and the average is, therefore, of modest proportions—the banker must always keep his depositors in mind, especially the smaller ones, as their savings are often their all. We would fail to justify the trust reposed in us by these capitalists if we were to make what we consider unsafe advances. Never was the advantage of a Savings

account better illustrated than during the last few years. The depositors' capital is intact, it has always been immediately available and a fair income has been received thereon. Furthermore, I should like to draw to your attention the important principle that banks, while seeking new business, should not press money on a borrower no matter how high his standing—business must generate its own steam. It would be a most dangerous procedure for banks, in addition to supplying credit, to encourage expansion which they feel is not warranted.

The decrease in loans which follows the downward swing of a trade cycle is mainly due to reduced borrowing on the part of those who of their own volition contract their operations to conform to decreased consumption.

It has been suggested that a money market should be established in Canada, but money markets can hardly be created; they grow naturally in great centres where wealth and capital congregate. Only countries which have plentiful capital of their own are likely to attract day-to-day money; a debtor country such as Canada can hardly hope to compete in this respect with the United States. The only real money market at the present time on this continent is New York, and in my opinion it will so continue for years to come.

Currency and Credit. A substantial portion of our governmental debts is payable abroad and, in order to ensure that all maturing payments thereon may be effected promptly, the Federal Government has very properly placed certain restrictions upon the export of gold. Nevertheless, the Canadian dollar is firmly linked with sound money. In other countries, capital fled to foreign centres as soon as confidence was undermined through the undue issue of currency—under like conditions the same thing would happen in Canada with a most disturbing effect upon general business and a disastrous effect on our foreign credit. In view of our heavy foreign payments and future needs, the credit of the Dominion must be maintained unimpaired.

There is something to be said in favour of a reasonable discount on our dollar in New York, although it is burdensome to those having obligations to meet in New York funds, but to increase this discount artificially in a competitive way to a level with those countries whose currency is depreciated to a greater extent than ours would be an extremely dangerous experiment as no one could tell where it would end.

We have had three years of business depression, and while there is still no strong indication of a return to normal conditions, yet in world affairs certain correctives necessary to the process of rehabilitation have been achieved, so hope may reasonably be entertained of brighter days from now on. Settlement of the questions of disarmament, war debts and freer international trade remains to be accomp-

lished before a full general recovery can be expected. As far as Canada is concerned, these trying times have brought us to a realization of some of our national problems—among them the paper industry, the railway situation, the wheat and unemployment problems, the extravagances in administrative expenditures with resulting heavy governmental debts and excessive taxation—which latter is one of the great handicaps to business recovery and expansion. At the same time it is impossible not to be struck by the strength and resilience which this country has exhibited. We have experienced a great contraction in our export trade, we have sustained substantial rebuffs in the form of heightened tariffs against our products, we have seen our dollar go to a heavy discount in the United States; and yet with all this we have maintained as high a level of general well-being as any other country, and we are among the few nations of the world promptly meeting every obligation, both externally and internally. These considerations should strengthen our confidence in our country and its future.

Your Bank has come through this period with undiminished prestige, for it can be claimed without exaggeration that events have only served to emphasize the important and outstanding position which it occupies in the business affairs of this country.

Conclusion. Mr. Bog reviewed, in a comprehensive manner, conditions in the Provinces of Canada as well as in Newfoundland and Mexico, dealing with commercial developments, financial affairs and the economic situation generally. In regard to the Province of Quebec, crops generally were above average but prices lower than in the preceding year, and the purchasing power of the rural sections had been curtailed. The two most important industries in the Province, lumber and paper, had again experienced difficult conditions. Wages and salaries in practically all fields had been reduced but, notwithstanding this, the profits of business generally had been negligible. Marked improvement could hardly be expected until the farmer and the producer of basic raw materials obtained better returns for their products. In Ontario the farmers had again harvested very satisfactory crops but in the main the proceeds had barely covered the cost of production. This also applied to live stock. With few exceptions industrial plants had been operating on a part-time basis and below the levels of the previous year. Industries largely dependent on the building trade and agriculture had been particularly affected. Those enjoying increased tariff protection had been reasonably employed. Export trade had diminished to small proportions. Competition was keen. Both wholesale and retail trade showed reduction in volume and under pressure of competition prices had been reduced to the point where profits were negligible. Tourists were fewer and their expenditures were noticeably less. There had been a decided reduction in real estate values. The shortage of money for mortgage loans had contributed to the curtailment of building operations. Rentals were under pres-

sure and were gradually declining. There was little demand for city or farm properties. The Provincial Government and Municipalities were under the added necessity of providing for the large number of unemployed, but this problem on the whole was being well looked after. There were no signs of extreme social unrest. The situation was being faced with intelligent moderation in the expectation that adjustments in living costs would correct existing inequalities within a reasonable time. In the Maritime Provinces lumbermen, farmers and fishermen were all suffering from the low prices prevailing for their products and the consequent decrease of purchasing power had affected all sections of the community. In the Prairie Provinces wheat production was estimated at around 410,000,000 bu. compared with the ten-year average of 377,000,000 bu. and the short crop of 1931 of 300,000,000 bu. Sowing and harvesting were carried out at a minimum cost. Returns from grain and livestock had shrunk so much that large numbers of farmers found it difficult to liquidate debts. The plight of the farming community was reflected in sluggishness in all business. With a few exceptions manufacturing business was poor. Wholesale trade was substantially down and, gradually, consolidations were taking place. Provincial Governments had passed legislation to protect debtors. Unemployment continued in the large urban centres and relief was costing the Governments and Municipalities large amounts. While the farming situation was trying, farmers had reduced expenses to a minimum and were reverting to old-time methods of farm life. In British Columbia lumber production had been on a steadily declining scale; in mining, continued low prices for silver and base metals had prevented any resumption of general activities; the year's production of salmon was being marketed satisfactorily and prices were slightly firmer. Unemployment was prevalent and increased taxation had been necessary.

The Report on motion of Sir Charles Gordon, G.B.E., seconded by Mr. H. R. Drummond, was then adopted, the usual votes of thanks tendered, and the following gentlemen duly elected Directors for the ensuing year: The Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, The Honourable Patrick Burns, The Honourable Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., Harold Kennedy, J. Wilson McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General The Honourable S. C. Mewburn, C.M.G., Lieutenant-Colonel Herbert Molson, C.M.G., M.C., Chris. Spencer, W. N. Tilley, K.C., Sir Frederick Williams-Taylor. At a subsequent meeting of the Directors, Sir Charles Gordon, G.B.E., was elected President, Mr. H. R. Drummond and Major-General The Honourable S. C. Mewburn, C.M.G., were elected Vice-Presidents, and Sir Frederick Williams-Taylor was appointed a member of the Advisory Committee of the Bank in London, England. The Executive Committee of the Board was

appointed, consisting of Sir Charles Gordon, G.B.E., Mr. H. R. Drummond, Major-General The Honourable S. C. Mewburn, C.M.G., and Mr. E. W. Beatty, K.C.

THE GENERAL STATEMENT OF THE BANK OF MONTREAL OF OCTOBER 31st, 1932

LIABILITIES

Capital Stock		\$ 36,000,000.00
Rest	\$ 38,000,000.00	
Balance of Profits carried forward	1,248,856.50	
	<hr/>	
	\$ 39,248,856.50	
Unclaimed Dividends	12,098.10	
Quarterly Dividend, payable 1st December, 1932	900,000.00	
	<hr/>	40,160,954.60
		<hr/>
		\$ 76,160,954.60
Notes of the Bank in circulation	\$ 34,102,970.00	
Deposits not bearing interest	115,347,203.54	
Deposits bearing interest, including interest accrued to date of statement	520,407,410.35	
Deposits made by and Balances due to other Banks in Canada	2,803,635.41	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	10,274,413.86	
Bills Payable	180,186.44	
	<hr/>	683,115,819.60
Letters of Credit outstanding		8,343,722.33
Liabilities not included in the foregoing		1,545,776.16
		<hr/>
		<u>\$769,166,272.69</u>

ASSETS

Gold and Subsidiary coin current	\$ 19,618,676.09	
Dominion notes	59,062,220.75	
Deposit in the Central Gold Reserves	6,000,000.00	
Deposits made with and Balances due from other Banks in Canada	\$ 25	
United States and other foreign currencies	295,285.37	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	31,827,851.38	
Call and Short, not exceeding thirty day, Loans in Canada on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	5,157,690.80	
Call and Short, not exceeding thirty day, Loans elsewhere than in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	20,071,135.74	
	<hr/>	57,351,963.54
Dominion and Provincial Government Securities, not exceeding market value	206,043,909.96	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	7,939,259.08	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	53,364,783.39	
Notes of other Banks	3,204,664.01	
Cheques on other Banks	27,183,029.82	
	<hr/>	\$439,768,506.64
Current Loans and Discounts in Canada, less rebate of interest, after making full provision for all bad and doubtful debts	\$252,121,638.59	
Loans to Cities, Towns, Municipalities and School Districts	28,689,492.47	
Current Loans and Discounts elsewhere than in Canada, less rebate of interest, after making full provision for all bad and doubtful debts	17,879,400.41	
Non-current Loans, estimated loss provided for	4,240,738.33	
	<hr/>	302,931,269.80

ASSETS—Continued

Bank Premises, at not more than cost, less amounts written off	14,500,000.00
Real Estate other than Bank Premises	443,207.03
Mortgages on Real Estate sold by the Bank	1,278,564.14
Liabilities of Customers under Letters of Credit as per Contra	8,343,722.33
Deposit with the Minister for the purposes of the Circulation Fund	1,542,872.35
Shares of and loans to controlled companies	239,253.55
Other Assets not included in the foregoing	118,876.85
	<u>\$769,166,272.69</u>

NOTE.—The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the names of local incorporated companies and the figures are incorporated in the above General Statement.

CHARLES B. GORDON,
President.

W. A. BOG,
JACKSON DODDS,
Joint General Managers.

To the Shareholders of the Bank of Montreal:

We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified Branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that: (a) we have obtained all the information and explanations we have required; (b) in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the Books of the Bank.

JAMES HUTCHISON, C.A., of the firm of Riddell, Stead, Graham & Hutchison,	} Auditors.
CHARLES A. HODGSON, C.A., of the firm of Creak, Cushing & Hodgson.	

Montreal, November 25th, 1932.

“DISTINCT IMPROVEMENT IN CANADIAN BUSINESS”

KEYNOTE OF ANNUAL ADDRESSES AND REPORTS

OF

THE ROYAL BANK OF CANADA*

The Sixty-Fifth Annual General Meeting of the Shareholders was held at the Head Office of the Bank, in Montreal, on Thursday, January 11th, 1934, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

The Secretary of the Meeting, Mr. S. G. Dobson, read the Directors' Report, as follows:

The Directors have pleasure in submitting to the shareholders the Sixty-Fourth Annual Report for the year ended 30th November, 1933, together with the Statement of Assets and Liabilities and Statements of Controlled Companies.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 30th November, 1932	\$1,166,954.95	
Profits for the year ended 30th November, 1933..	3,901,649.23	
		<u>\$5,068,604.18</u>
Appropriated as follows:		
Dividend No. 182 at 10% per annum.....	\$875,000.00	
Dividend No. 183 at 8% per annum.....	700,000.00	
Dividend No. 184 at 8% per annum.....	700,000.00	
Dividend No. 185 at 8% per annum.....	700,000.00	
	<u>\$2,975,000.00</u>	
Contribution to Officers' Pension Fund.....	200,000.00	
Appropriation for Bank Premises.....	200,000.00	
Reserve for Dominion Government Taxes.....	310,000.00	
Balance of Profit and Loss carried forward.....	1,383,604.18	
		<u>\$5,068,604.18</u>

The assets of the Bank have been, as usual, carefully revalued, and provision made for all bad or doubtful debts. Furthermore, your Directors have transferred \$15,000,000 from Reserve Fund to Contingent Account to reimburse the inner reserves of the Bank for unusual withdrawals therefrom during the past few years of abnormal economic conditions, and to provide additional reserves for future contingencies.

Forty branches were closed during the year, thirty-two in Canada and eight abroad. On November 30th there were seven hundred and ninety-seven branches in operation,—seven hundred and twelve in Canada and eighty-five in other countries.

The Head Office and branches of the Bank have been inspected as usual during the year.

The Directors record with regret the resignation, on account of advancing age, of Mr. Hugh Paton, a valued member of the Board for nearly twenty-

*NOTE.—For History of the Bank see Supplement to *The Canadian Annual Review*, 1910; succeeding Reports and Addresses are given in *The Review*, 1911 to 1932.

five years. The vacancy thereby created was filled by the appointment of Mr. John S. Norris.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the Bank continue to perform their respective duties.

Address by The Sixty-Fourth Annual Report and Balance
Sir Herbert Sheet submitted to you to-day disclose the strong
S. Holt, position of the bank. While Balance Sheet figures
President are somewhat smaller than those of a year ago, this reflects a falling off in international deposits rather than contraction of Canadian business. In fact, a notable feature is an increase in Canadian Demand and Savings deposits during the year. The liquid position is eminently satisfactory. As you would expect, the restricted demand for commercial loans, and the resultant increase in our holdings of less remunerative assets in the form of Dominion and Provincial Government securities, has combined with other factors to reduce profits. In April last, the dividend was reduced from 10 per cent. to 8 per cent., and the last three quarterly dividends have been paid at that rate. The improvement which has taken place in business during the last six months, has already had a beneficial effect on earnings.

It has always been our practice to maintain inner reserves, in addition to those shown on our Balance Sheet, at a figure affording adequate protection against unforeseen contingencies. In common with other banks, we found that the loss ratio was higher than normal during the last few years of disturbed economic conditions, and a portion of such reserves was therefore used for the purpose for which they were provided. After careful consideration, your Directors decided to reimburse the inner reserves, and to provide for future contingencies by transferring \$15,000,000 from the published Reserve Fund. I feel that you will regard this action as a prudent and constructive move. Adjustments of a similar character have been made in recent years by leading banks in England and other countries. Our assets, as usual, have been carefully appraised and proper allowance made for contingencies, particularly in the case of certain industries which have not yet shared in the business revival. The General Manager will deal with the financial statements in detail.

Progress in Canada. I am glad to say that since we last met, there has been a distinct improvement in Canadian business. I have had the opportunity of seeing this country recover from depressions on various occasions during the last fifty years, and the present movement appears to be taking place along the accustomed lines. As soon as world trade commences to revive, there is an improved demand for Canadian raw materials. Canadian exports increase substantially, surplus inventories disappear and greater activity in the principal exporting industries provides additional employment,

with a consequent improvement in purchasing power and domestic trade. This has been the sequence of events in Canada during the last six months. Unfortunately, the grain-growing industry has not yet shared in the improvement in any important degree. We can only hope that its recovery will not be too long deferred, and in the meantime, everything possible should be done to lessen our dependence on wheat and to diversify production in Western Canada. Something has been accomplished along these lines during the last ten years. The necessity for further progress constitutes a challenge to our energy and initiative.

Government Expenditures. Canada's ability to profit from world recovery at an early stage is based on the excellent character of our natural resources and the economy and efficiency of our export industries. The country's position will be weakened fundamentally if we allow our costs to get out of line. Taxation is a growing item in the cost of production, and I cannot emphasize too strongly the vital importance of reducing this burden. The cost of maintaining our too numerous governments, Federal, Provincial and Municipal, is rapidly becoming unbearable. The gross debts of these governments, including bonds guaranteed by the Dominion Government, increased from \$4,188,000,000 in 1920 to \$6,055,000,000 in 1931, with the Provinces and Municipalities responsible for the major portion of the increase. Governments are only too prone to classify all their expenditures as essential, refusing to recognize that there are many desirable things which we cannot afford. If our industries and people are overburdened with taxation, we will not be able to hold our competitive position and at the same time maintain our standard of living. I am quite aware that in the past there has been a tendency to regard warnings of this kind as somewhat exaggerated or overdone, but unless a halt is called, the seriousness of the situation will very soon be brought home to every individual. Greater activity in business will reduce unemployment, produce increased revenues and a reduction in disbursements for public relief. Advantage must be taken of these developments to reduce debts, rather than increase expenditures.

The Railway Situation. Once again I draw your attention to the railway situation in Canada. What I said last year is emphasized by the fact that the net income deficit of the National Railways for 1932 was over \$96,000,000, of which some \$61,000,000 represents actual operating losses and payment of interest on securities in the hands of the public. The balance consists of interest due to the Government for monies advanced. Obviously, this drain upon the resources of the country cannot be permitted to continue. The annual deficit exceeds greatly the total amount of income tax collected by the Federal Government. The time for half measures has passed—bold and courageous action is required. From the beginning of 1923 to the end of 1932 the aggregate income deficit

amounted to \$565,756,072. I think few Canadians realize that the debt of the Government railways at the end of 1932 amounted to the huge sum of \$2,754,340,828, and that during the year 1932 the Canadian National Railways were \$4,041,640 short of earning anything whatever towards interest on this enormous debt.

At our last Annual Meeting I ventured to state that enforced co-operation between the two railway systems would not prove drastic enough to cut down in any adequate degree the annual deficit of the Government Railways. The experience of a year of co-operation between the Government owned and the privately owned railways has not tended to disprove that statement, and I am still of the opinion that the maximum of economy can only be obtained by some form of administrative amalgamation. There is no reason why immense savings cannot be realized through such an arrangement, given an efficient and experienced management, free from all political influence. By doing so, unnecessary duplication can be eliminated and large economies accomplished without in any way affecting the quality of service. The actions which have been taken to stop wasteful railroad competition in England, and which are contemplated in the United States, afford examples which we cannot disregard.

Benefits from Ottawa Conference. The marked expansion of our exports in recent months calls attention to the benefits which we are now deriving from the Ottawa Conference. While exports to foreign countries declined \$18,000,000 during the twelve months which ended November 30th last, our exports to other countries of the Empire increased \$26,000,000. Great Britain was responsible for \$22,000,000 of this improvement. Lumber affords a notable example of greatly increased sales, and the same may be said of copper, nickel and other base metals, and of bacon and hams, to name only a few commodities. Even with the increase in our shipments of pork products, Canada has taken advantage of only one-quarter of the quota allowed by the Agreement. The Canadian farmer should seize this opportunity to diversify production. While the premium on the pound sterling in Canada, and the general improvement in conditions, have helped to increase the volume of our trade with Empire countries, the way was opened by the Ottawa Agreements. Coming at a time when the general tendency was towards economic isolation, their liberalizing influence was of great importance. They constitute economic statesmanship of a high order.

Other features of the business year in Canada have also been most encouraging. Our production of gold, while showing a slight decrease in volume, has increased some \$13,000,000 in value because of the high premium on gold in terms of Canadian funds. This great industry has done yeoman service for the country during the years of depression, contributing a tremendous sum in wages, purchase of materials, taxes and dividends. If the present high premium on gold is maintained, and production in 1934 equals that of last year, the revenue to the mines should exceed \$100,000,000.

Throughout the Dominion, manufacturing operations have expanded moderately during the year. Many of the textile plants have been operating at or near capacity, and the boot and shoe industry has been more active than for some years. The demand for food stuffs has been well maintained and retail trade in other lines increased in a remarkably satisfactory manner towards the close of the year. In contrast to the active demand for consumers' goods, the operations of those lines of manufacturing concerned with construction of plant or machinery, or with building in any other form, have been severely curtailed. The resumption of more normal expenditures for maintenance and development is required before such industries can prosper.

There has been greater activity in the manufacture of pulp and paper. While the price of newsprint is lower than a year ago, the market situation shows signs of greater stability. It has been strengthened by a material advance in the price of pulp, which enables operations in that division of the industry to be conducted on a profitable basis. While Canada still suffers from the problem of surplus capacity in the newsprint field, an increase in consumption makes the outlook somewhat more reassuring than it was a year ago.

Agriculture had to contend with hot dry weather which prevailed with varying severity from coast to coast. In Western Canada, the force of the drought was particularly severe and, despite the large acreage sown to wheat, returns were disappointingly small. All crops suffered and complete failures were reported in many districts. Conditions in Quebec and the Maritime Provinces were not so severe. Potatoes yielded a good crop, substantially larger than that of 1932. The total value of all field crops has been maintained by better prices and despite greatly decreased yields is officially placed at \$428,000,000 against \$445,000,000 in 1932.

Newfoundland. A most interesting development of the year was the decision reached by Newfoundland to place herself under the administration of a Governor and Commission responsible to the Government of the United Kingdom, and the latter's offer to pay Newfoundland's current debts in full and guarantee her bonds on a certain basis of conversion. The terms offered to bondholders are eminently fair. Great Britain has displayed courage and initiative, as well as a keen regard for British credit. It is no small thing to accept ultimate responsibility for a debt of approximately \$100,000,000, although one must hope that the reduction in interest charges, and some improvement in business, will enable Newfoundland eventually to shoulder her own burdens. All Canadians I am sure, will join in wishing the Oldest Colony a liberal measure of prosperity under the new regime.

Conditions in Other Countries. On the whole, it would seem that the low point in the depression for most of the world was

reached in the latter part of 1932. Since that time, there has been a general increase in international trade. The recovery in Great Britain has been particularly satisfactory. It was notably assisted by the measures which they instituted to protect their industries and agriculture, reduce the cost of government and ensure a balanced budget. Successful conversion operations were effected, thereby reducing interest charges. At the present moment, Great Britain is one of the few countries which can claim a real budget surplus, and can entertain hopes of reduced taxation. This has encouraged confidence and provided a great stimulus to trade and enterprise.

While business in the United States also commenced to improve about the middle of 1932, it later suffered a relapse due to their banking difficulties and the hesitation and uncertainty which precede a change of administration. Since last March, quite material progress has been made. They have initiated a number of far-reaching experiments, some of which involve very drastic changes in business methods. Moreover, the indications are that new ideas will be introduced and existing ones modified as they proceed. In these circumstances, it is difficult to analyze the effects of their policies and impossible to prophesy the outcome. Their central idea, that an increase in the price level must be obtained, is sound common sense, and is now quite generally accepted as such throughout the world. At our Annual Meetings of the last three years, we have emphasized and re-emphasized the necessity for a higher price level. I see no reason why it cannot be achieved in due course.

Currency Stabilization Desirable. In the monetary field, the uncertain position of the United States dollar is causing apprehension. No one wishes to take long-term commitments if they distrust the currency in which these commitments must be expressed. This hampers business recovery and has an adverse effect on the market for Government and other high grade securities. Stabilization is highly desirable. I question whether any country now on a gold or sterling basis would be willing at the present time to enter into a definite agreement to tie its currency to the dollar at current rates of exchange. However, it is possible for the United States to stabilize the dollar in relation to gold and keep it at that figure by appropriate action in the exchange market. If this action failed to inspire confidence, the alternative would appear to be the resumption of gold payments on a new basis of valuation. Confidence is essential to a lasting recovery. Once obtained, it would have a remarkably stimulating effect on business activity in the United States.

The business situation in Canada is strongly influenced by conditions in the United States, and we must hope for our own sakes, as well as theirs, that they will be successful in restoring prosperity.

Definite Turn for Better. Modern economic history offers no parallel to the violence of the depression in the past four years, but it would now seem that there are unmistakable signs of recovery in many

parts of the world. Canada has had her share of troubles, but has met them with equanimity and fortitude. Criticism is easy, but facts seem to justify the opinion that we have come through the debacle better than most countries and that our future prospects are second to none. Violent actions produce violent reactions. Economic history indicates that the interval required for recovery after every past depression has been distinctly shorter than the period of decline. If this has been true in the past, it is more likely to be true in the present instance, since the forces which make for natural recovery have been greatly strengthened throughout the world by monetary measures designed to restore a higher price level.

At our last Annual Meeting, I expressed the feeling that indications pointed to the initiation of a substantial recovery in 1933. This year it is possible to go one step farther, and to venture the opinion that we are now definitely on the upgrade. If we deal intelligently with the main problems that confront us, we can expect, within measurable time, a return of general prosperity.

**Address of the
Vice-President and
General Manager,
Mr. M. W. Wilson**

The Sixty-Fourth Annual Report and Balance Sheet before you to-day reflect satisfactory operations during the past year. As might be expected, balance sheet totals are lower, but deposits have been well maintained. The liquid position is higher, and notwithstanding further contraction in commercial advances, earnings amply covered dividend and usual requirements, leaving a comfortable margin to be carried forward.

Total Assets are \$729,260,476 compared with \$765,512,920 a year ago. Aggregate deposits at \$600,448,360 are down \$18,645,783. Dominion Government balances with banks were materially lower on November 30th than the previous year, the reduction in our case accounting almost entirely for the reduction in our total deposits. A further interesting fact, not disclosed by the statements before you, is that in Canada current deposits increased about \$17,000,000 during the year, and Savings deposits are higher by \$2,000,000. This is a gratifying showing, particularly as our depositors, through the facilities that our large number of branches afforded, took their full share of Government financing during the period under review.

The slight increases in Note Circulation and Letters of Credit reflect higher business activity at home and in international trade, respectively.

Liquid Assets total \$362,471,645, and are equal to 55.76 per cent. of public liabilities, compared with 52.86 per cent. the previous year. A notable feature is that 24.26 per cent. of such liabilities is represented by Cash and Cash Balances, which aggregate \$157,699,215. Dominion and Provincial Government Bonds increased from \$89,448,844 to \$106,850,615. Other securities in the aggregate show little change. Call Loans, Canadian and foreign, declined by

\$3,598,571. Commercial loans and discounts were reduced by \$44,442,894. Such contraction in borrowing requirements of our customers would ordinarily indicate decreased business activity, but I am glad to say that in a number of cases materially increased sales and consequent depletion of inventories were the causes contributing to the reduction.

As stated last year, our building programme is completed, consequently Bank Premises Account is lower by almost the total amount of \$200,000 written off from the year's profits. In addition, our Realty Corporations, whose statements were submitted to you to-day, reduced their bond indebtedness by the customary \$500,000. This payment, as usual, is treated as an operating expense of the Bank, which means that the total write-off on premises account this year has been \$700,000. The entire capital stock of the Realty Corporations, which represents a very substantial equity, is owned by the Bank, and is carried on our books at \$2.

Earnings have naturally been affected by the lower volume of commercial loans and reduced business activity in the first half of the year. Total profits were \$3,901,649. Added to \$1,166,955 brought forward there was \$5,068,604 available for distribution. Dividends absorbed \$2,975,000; \$200,000 was contributed to Officers' Pension Fund; \$200,000 written off Bank Premises and \$310,000 allocated for Dominion Government taxes, leaving \$1,383,-604 to be carried forward in Profit and Loss Account.

The President, in his address, discussed business conditions generally, and the report of the proceedings of this meeting, when mailed to shareholders, will include the usual detailed review of conditions in Canada and abroad. I shall content myself with stating that in spite of disturbed political conditions at certain points, our business in the foreign countries where we maintain branches pursued an uneventful but satisfactory course throughout the year. Improvement in commodity prices and gradual enlargement of world trade is everywhere having a beneficial effect. From present indications I would expect increasingly satisfactory results for this department of our business during 1934.

Central Bank. The proposal that a central bank should be established in Canada is now very much in the public eye. At our last Annual Meeting I expressed the hope that the Government would see fit to have the project examined by a body of experts, including several from older countries experienced in the practical working of a central bank. The Royal Commission on Banking and Currency which was constituted last summer could not have been better chosen. Under the Chairmanship of Lord Macmillan, their sittings in all parts of the country were notable for the freedom with which all possible evidence was received, and for the patience and tact displayed in dealing with the material submitted.

While I do not agree with the Report in its entirety, I believe that a properly constituted central bank can be developed as a useful

adjunct to our banking system. I should have preferred to see it come into being at a time when general economic conditions were nearer normal than they are at present. However, if a central bank is to be established forthwith, it is our duty and intention to co-operate in every way possible to make it efficient and useful. The feature of paramount importance will be the quality of its management. It must be strong enough to resist political domination at home and undue influence of other central banks abroad. Under proper guidance, a central bank can render valuable service, but can do great harm if it lacks the skill and wisdom necessary for the conduct of its operations. If this view-point is firmly established and serves to guide the choice of management, I am confident that neither the banks nor the public need fear this new development.

Note Issues. The recommendations in the Report with respect to the gradual withdrawal of the note-issuing privileges of the chartered banks do not appear to me to be in the public interest. Retention of these privileges would not hamper the central bank in its efforts to control credit. This can be readily demonstrated. Bank notes do not form part of the cash reserves on which the credit structure rests, and a central bank exercises its powers through increasing or diminishing the amount of these cash reserves.

Professor T. E. Gregory of London University, who has had wide international experience on matters of central banking, stated before the Commission that in his judgment nothing of importance to the Central Bank's control of credit policies would be lost if the banks retained their circulation privileges. I quote him rather than the Canadian economists who gave similar evidence since his opinion cannot have been influenced by the traditions which have surrounded the question in this country. "The Economist," well known London financial journal, had the following to say in this connection in an editorial referring specifically to the work of the Commission:

"The Central Bank would not be in the least weakened by allowing the chartered banks to retain their present issues under the present restrictions."

I think, therefore, that we should view the elimination of bank note issues, not as a step which must inevitably accompany the creation of a central bank, but as a separate matter entirely. The real question is whether the Government desire to have banking service maintained at many small points throughout the country, or to appropriate the revenue on note issues for themselves. I believe that the gain to the Government would not offset the loss to the public through curtailment of banking facilities. Unquestionably there are many places which could no longer support a branch bank if note issuing privileges were to be withdrawn. The operation of a number of small branches at a bare margin of profit is characteristic of banking in this country. We have a system which, in

many of its aspects, is native to the Dominion, and prudence should prompt us to be very cautious in advocating fundamental changes.

At this point I might quote the following from the Report of the Royal Commission:

" . . . insofar as the ordinary functions of banking are concerned, the Canadian banks give admirable evidence of security, efficiency and convenience. In a time of universal economic difficulty the Canadian banks have stood firm and have continued to render to the people of the Dominion the same high quality and the same wide variety of services as in the past."

The chartered banks could adjust themselves to the gradual loss of the note issuing privilege over a period of years, but unquestionably it would necessitate the withdrawal of banking facilities from many of the smaller communities in Canada. This would be a high price to pay for a central bank.

Rural Credits. The Royal Commission on Banking and Currency recommended that the Dominion Government, preferably with the co-operation of the Provincial Governments, should forthwith institute a special investigation into the whole problem of the provision of short and intermediate rural credits, with a view to the preparation of an adequate and comprehensive scheme for submission to Parliament. I hope that their recommendation will be adopted, and that a commission of enquiry will be appointed to find out exactly what is required, and to what extent solvent borrowers are in distress through inability to obtain loans or renewals. I am not suggesting that we should set up an organization to make unsafe loans at the cost of the taxpayer, but undoubtedly there are cases where farmers are possessed of assets which do not constitute banking security, but which would afford protection for moneys advanced by another class of institution.

At our last Annual Meeting I ventured to suggest that the prospect of further improvement in the coming year was very much more hopeful than it was the previous year. That prediction has been borne out by subsequent developments. For the first time in years an attitude of quiet but confident optimism is in evidence almost everywhere. Many problems still have to be solved, but I have full confidence in the ability of Canada to share in the continued improvement in economic conditions which I believe lies ahead of us.

The Directors' Report was then unanimously adopted and the Directors for the ensuing year were elected as follows:

SIR HERBERT S. HOLT, K.B., President

HON. A. J. BROWN, K.C., and M. W. WILSON, Vice-Presidents

W. J. SHEPPARD
C. S. WILCOX
A. E. DYMENT
G. H. DUGGAN
JOHN T. ROSS
W. H. McWILLIAMS
Capt. WM. ROBINSON

A. McTAVISH CAMPBELL
ROBERT ADAIR
HON. WM. A. BLACK, M.P.
C. B. McNAUGHT
G. MacGREGOR MITCHELL
R. T. RILEY
STEPHEN HAAS
W. H. MALKIN

JULIAN C. SMITH
W. J. BLAKE WILSON
G. HARRISON SMITH
W. F. ANGUS
PAUL F. SISE
JAMES McG. STEWART, K.C.
J. S. NORRIS

GENERAL STATEMENT OF THE ROYAL BANK OF CANADA 30th NOVEMBER, 1933

LIABILITIES

Capital Stock Paid up.....		\$ 35,000,000.00
Reserve Fund		20,000,000.00
Balance of Profits carried forward.....		1,383,604.18
Dividends Unclaimed		12,745.75
Dividend No. 185 (at 8% per annum), payable 1st December, 1933.....		700,000.00
		<hr/>
		\$ 57,096,349.93
Deposits not bearing interest.....	\$128,829,694.46	
Deposits bearing interest, including interest accrued to date of Statement	450,463,265.41	
Balances due to other Banks in Canada.....	841,498.81	
Balances due to Banks and Banking Correspondents else- where than in Canada.....	20,313,902.13	
		<hr/>
		\$600,448,360.81
Notes of the Bank in circulation.....		\$ 29,349,801.14
Advances under the Finance Act.....		20,000,000.00
Bills Payable		255,089.91
Liabilities not included in the foregoing.....		57,985.74
Letters of Credit Outstanding.....		22,052,888.91
		<hr/>
		<hr/>
		\$729,260,476.44

ASSETS

Gold and Subsidiary Coin on hand.....	\$ 14,117,860.37
Dominion Notes on hand.....	48,922,334.75
Deposit in the Central Gold Reserves.....	3,000,000.00
United States and other Foreign Currencies.....	21,713,830.99
	<hr/>
	\$ 87,754,026.11
Notes of other Canadian Banks.....	1,811,091.42
Cheques on other Banks.....	18,384,822.80
Balances due by other Banks in Canada.....	2,814.09
Balances due by Banks and Banking Correspondents elsewhere than in Canada	49,746,460.79
Dominion and Provincial Government Securities (not exceeding market value)	106,850,615.53
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian (not exceeding market value).....	24,198,073.90
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	11,970,905.82
Call and Short (not exceeding 30 days) Loans in Canada on Bonds, Deben- tures and Stocks and other Securities of a sufficient marketable value to cover	28,771,273.71
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada on Bonds, Dehentures and Stocks and other Securities of a sufficient market- able value to cover.....	32,981,561.27
	<hr/>
	\$362,471,645.44
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts.....	216,849,534.86
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts.....	95,237,013.78
Non-Current Loans, after providing for estimated loss.....	4,032,843.75
Bank Premises at not more than cost, less amounts written off.....	17,015,987.02
Real Estate other than Bank Premises.....	2,424,277.85
Mortgages on Real Estate sold by the Bank.....	883,009.27
Liabilities of Customers under Letters of Credit as per contra.....	22,052,888.91
Shares of and Loans to Controlled Companies.....	6,328,639.58
Deposit with the Minister for the purposes of the Circulation Fund.....	1,500,000.00
Other Assets not included in the foregoing.....	464,635.98
	<hr/>
	<hr/>
	\$729,260,476.44

NOTE.—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

H. S. HOLT,
President.

M. W. WILSON,
General Manager.

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets at 30th November, 1933, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1933, and it is as shown by the books of the Bank after giving effect to the transfer by the Directors of \$15,000,000 from Reserve Fund to reimburse the inner reserves of the Bank and to provide reserves which they consider adequate for future contingencies.

A. B. BRODIE, C.A., of Price, Waterhouse & Co.	} Auditors.
JAS. G. ROSS, C.A., of P. S. Ross & Sons.	

Montreal, Canada,
23rd December, 1933.

HOW CANADIAN BANKS FINANCE FOREIGN TRADE

ANNUAL ADDRESSES

OF

THE CANADIAN BANK OF COMMERCE

FOR THE YEAR ENDED NOVEMBER 30TH, 1933

**Address of
the President,
Sir John Aird**

In his address to you a year ago the General Manager correctly stated that the economic centre of gravity had shifted to the political sphere. That remark was the genesis of the observation I then made to the effect that business was ready to advance, but that the rate of progress would depend upon the degree of international co-operation in tariff adjustments and the stabilization of national currencies in terms of one another. This stimulus could have been, but unfortunately was not, provided by the Monetary and Economic Conference held in London last summer. Notwithstanding the failure of the Conference to achieve any of the major purposes for which it was convened, such is the vigour and vitality of business enterprise that the trade of the world, and particularly that of the British Empire and of those countries in close economic association with it, is to-day in a more satisfactory and sounder condition than a year ago. While this is most gratifying we may still regretfully reflect how much more impressive the record of world trade and general business activity would have been, and how many more people would have been happily restored to employment, had the shackles of war debts and trade restrictions been loosened even slightly, and had increasing disorder in the international exchanges been averted by agreement at the Conference on but two or three of the many constructive proposals included in its agenda. Our satisfaction in the demonstration which we have witnessed of the recuperative powers of the business world must also be tempered by the thought that the fundamental causes of the acute economic distress of recent years have not been removed, and that there is a new hazard in the American monetary experimentation. The problem of clearing the channels of international trade still remains for solution, and it should frankly be recognized that the progress of the past year has been partially due to artificial measures taken in various countries which cannot continue indefinitely to exercise a stimulating effect. What is most needed is a spirit of international goodwill and unselfish co-operation, without which durable progress must be uncertain.

The improvement in Canadian industrial and employment conditions has been so adequately described by the General Manager that I can proceed immediately to discuss external conditions.

The British Empire. British industry improved comparatively slowly in the early part of 1933, owing mainly to difficulties which beset the important cotton milling unit, but has since made substantial progress. The favourable developments in the employment situation are too well known to require description here. The strong measures taken two years ago to adjust the Government's expenditure to its revenue have had the most fruitful results in the past year, the fiscal income for the nine months ending November being slightly higher, and the outlay much lower, than in the like period of 1932. London has resumed the leadership in international finance, for her private capital market, though still restricted, is now not only the safest for financial operations, but the only one of major character that is functioning in anything like a normal manner. While there was no spectacular rise in export trade, the United Kingdom increased its foreign commerce in all directions, except the Oriental and Russian markets, a noteworthy achievement considering the crushing import restrictions in many countries.

Uniform improvement is to be noted in Australia and New Zealand following the gains these countries made in 1932. South Africa and Rhodesia have experienced a revival in their great mining industries which has offset, at least in part, an unfavourable agricultural situation. India has continued practically immune from the depression. The British West Indies have also remained but little affected by the serious dislocation of world economy, although their position is not quite as favourable as in 1932, owing to severe storm damage, centred upon Jamaica.

Foreign Countries. The most satisfactory progress in Continental Europe has been made by the Scandinavian countries. A marked industrial revival in France was checked last autumn owing to political unsettlement and the loss of investment confidence arising from the delay in balancing the Government's budget, as well as from fears of the country's ability to maintain the gold standard. Germany's excellent industrial record was reflected in a greatly improved employment situation and Reich finance, but artificial elements partly induced these changes, while a falling export trade caused a partial moratorium on the external debt service. Italy records a moderate improvement. Austria has to her credit a better trade position and an easing of her financial difficulties. Eastern Europe, though still all but financially prostrated, was favoured with good grain crops last summer which, combined with the negotiation of trade treaties within this group of countries and with neighbouring nations, brightens the outlook somewhat for this sorely distressed region.

Russia presents a picture of sharp contrasts. Under the first Five-year Plan the ratio of industrial production to total production was raised from 50 per cent. to 70 per cent. But there was glaring misplanning in a great waste of capital, in the failure to furnish commodities to the public in proportion to their productive capacity

and in an over-issue of currency which, coupled with a loss in agricultural efficiency and a shortage of live stock following the vigorous collectivization campaign and drought in 1932, led to serious famine conditions in parts of the country. The new Economic Plan provides for an improvement in the quality of goods and in their distribution.

There are signs of stability in South America, Brazil, in fact, enjoying a more active trade, both domestic and foreign, owing largely to increased exports of coffee and other products. Mexico is also in an improved position as a result of a steadily expanding export trade, excellent harvests and slightly more activity in her petroleum and mining fields.

Cuban affairs have gone from bad to worse, despite higher sugar prices, and a period of quiet political and labour conditions is requisite to the reconstruction of the country's financial and agricultural structures.

Following a stiffening of the resistance by other countries to the competition of its low-priced manufactures, Japanese industry has progressed intermittently, as compared with a continuous advance during the greater part of 1932. China continues under the spell of years of civil strife and her struggle with Japan, but the present comparatively quiet political atmosphere, coupled with some progressive policies and good crops, affords the opportunity for rehabilitation.

The United States. The most disappointing feature of world economy is the failure of the United States to rise as rapidly as expected from the unparalleled low economic level to which it had sunk last March. A good deal of the ground recovered between April and July was lost by mid-September, but from that time until late in October a state of equilibrium was apparent. In recent weeks there has been a moderate advance. As is well known, the attempt to raise the commodity price level by depreciating the currency in terms of gold has not met with the anticipated degree of success.

In fairness to the President and Congress we must bear in mind that they inherited a most serious domestic situation, aggravated by fiscal and monetary policies of certain other countries, which demanded imperative and forceful action. Certain manifest social injustices also called for redress. While recognizing these difficulties, however, and warmly praising the humanitarian aspects of the President's programme, it appears to many competent observers that the laudable efforts which are being made to establish more equitable social conditions may cause a host of other inequitable relationships. Social, like economic progress, is best accomplished by taking one sure step at a time. It cannot be safely accelerated beyond a certain pace. It is sincerely to be hoped that the existing uncertainty as to the American monetary policy which is so unsettling to their

own business and that of all other nations will be brought to an end as speedily as possible.

Monetary Problems. The world as a whole resembles nothing so much as a laboratory for monetary experiments. This bank took a strong stand against one of these—deliberate exchange depreciation—when it was being urged as a cure-all for our economic ills. I shall not repeat our arguments against that fallacious proposal, but bespeak your consideration of the following statement from the Economic Bureau of the League of Nations. "The most destructive development during 1932 was exchange instability. . . . Prices did not rise and trade was drastically curtailed, while exchange instability and exchange controls imposed fresh obstacles to capital movements. . . . In order to compete more effectively in world markets, the countries with managed currencies endeavoured to restrain any tendency for their domestic prices, and therefore their domestic costs, to rise, preferring to allow their exchange rates to fall. . . . Moreover, the countries remaining on gold attempted to meet the new competition from depreciated currencies by further deflation and also by increased trade restrictions, and in the latter they were joined by many of the countries off gold."

As to the question of establishing a proper relationship between commodity prices and debts, I believe that while the necessity for a higher price level is obvious, it is quite as essential that the various sets of prices be brought into proper economic ratios to one another. As to debts, those which are unsoundly based would, to say the least, prove difficult of liquidation even under the most radical monetary unit changes. If these and the mass of unproductive inter-governmental debts—or as the latter are commonly known, war debts—could be eliminated, tariffs lowered and certain prices made more flexible, the remaining structure would probably not prove unduly burdensome.

The crux of the money problem is not how to create more credit and currency, but how to find more work for that available at present. The difficulty could partly be solved by restoring confidence in currency units, which should lead in turn to investment confidence at a time when there is a huge industrial replacement demand, as a result of worn-out or inefficient productive equipment, which waits for realization upon monetary stability and the prospect of a reasonable return on the outlay. But as long as the present uncertainty lasts the scope of business enterprise will remain limited, and governments must continue large-scale relief programmes.

A Central Bank for Canada. The Report of the Royal Commission on Banking and Currency is an instructive and valuable public document. As you know, a majority of the members of the Commission recommended that a Central Bank should be established in Canada forthwith. To those who, through misunderstanding of the nature and functions of such an institution, have cherished extravagant hopes of what it might be expected to accomplish, the fol-

lowing extract from the Report will be informative:—"We should perhaps sound a note of warning as to the degree to which such an institution could fulfil all the expectations that the public might attach to it. A central bank could not cure all the economic ills of Canada; it would not be a source of unlimited credit for all borrowers on all occasions; indeed its operations might as often be restrictive as expansive. . . . It has in practice been found that a central bank can give most effective service to the community if it is free from the fear of interference for political ends in operating the delicate mechanism of the national monetary and financial machine."

It is indisputable, as is stressed in the Report, that this is a country of extreme variation in economic stability, for one reason because of great climatic changes in different sections of the country. This factor in itself is one affecting the supply of and demand for bank credit, and one also that is the bane of a banker's life. Yet despite this natural handicap the banks have fully met the legitimate bank credit requirements of the country. This bank has opened its books to the public to show that it has had as many as 150,000 borrowing accounts and that 85 per cent. of these were for advances of \$1,000 or less, and 96 per cent. of \$5,000 or less. Accordingly, bank credit in Canada has been available over a great range of territory to all classes of people, particularly to the small borrower, and, I might add, under safer control than in many countries which have central banks.

In connection also with the subject of the proposed Central Bank, I direct your attention to the November 18th issue of the London, Eng., *Economist*, whose opinions on finance are valued the world over. This eminent journal pointed to the strength of the case submitted by the dissenting members of the Commission on Banking and Currency, and said, also, that "the present Canadian monetary system, operated jointly by the Treasury and the banks, has been both adequate and sufficiently elastic for the Dominion's needs." As it appears, however, that we are to have a Central Bank, I am sure that, as stated by the General Manager, the chartered banks of Canada will earnestly co-operate in endeavouring to make the new system a success. They have always whole-heartedly served the various governments of Canada in the administration of our national finances, and may be depended upon to assist in the future, as in the past, to the utmost of their abilities.

I should like to have seen the Commission analyse, with the insight it displayed on other matters, the question of the socialization, or nationalization, of banking, particularly in view of their well-reasoned statement that "the mechanism of finance is a delicate one, and those to whom is entrusted responsibility for the welfare of the people must proceed with caution in the adoption of changes." The two distinguished British members of the Commission are doubtless fully aware of the strong opposition voiced in the United Kingdom,

even by some of the most prominent adherents of the Labour Party, against the nationalization of banking. Apparently the proponents of this plan recognize that the risk in bank loans would be increased, but it is suggested that this danger could be minimized by a government guarantee of deposits. That is to say, the risk would be saddled upon the general tax-paying public. It is no mere matter of chance that Canadian banks are in so sound a condition after four years of unprecedented world depression. Having given up active bank management some years ago I can pay a somewhat independent compliment to the present General Managers of our banks on the notable tribute which the Commission extended to these institutions in stating that they have given "admirable evidence of security, efficiency and convenience." The question, then, is which is preferable: the kind of bank management we now have, or that which we might expect from the advocates of nationalized banking or their supporters, who, notwithstanding the sincerity of their motives or their qualifications for public service, have had no practical experience in banking?

Canada's Wheat Problem. Again, in 1933, nature dealt a heavy blow to our grain growers. Following an effort to reduce the supply to more manageable proportions, wheat planting was on a descending scale in all the major exporting countries, including Russia. But weather conditions on this Continent were such as to damage severely the new crop, and in Europe to cause the second successive extra-bumper yield. The whole chain of events was discouraging, particularly to those who had waited so long for some fortuitous happening which would allow most of the huge accumulation of North American wheat to be moved into consumption channels. Those who continue to pin their faith on a turn of the wheel which would be to Canada's advantage may yet see their hopes realized, for of course there is the possibility of good weather in Canada next season and poor weather in some large wheat-growing countries in the importing group. Furthermore, the United States Government may place practically all of its wheat growers on a domestic production basis and thus remove one competing country from the international market, while the improvement in world industrial conditions and a steady growth in population promise an increase in wheat consumption. Yet I believe that any benefits which might be derived from such influences would be enhanced had the unpleasant facts which I felt bound to point out in former years, and which were instrumental in bringing about the London Wheat Conference Agreement a few months ago, been squarely faced. It is now plain that every importing country has been successful in lessening its dependence on foreign wheat, the movement proceeding so far in Europe as to reduce the foreign purchases of that Continent by as much as 200 million bushels per annum. We should lose no opportunity to achieve what every authority in the Prairie Provinces knows is essential, namely, a better-balanced agriculture; to extend

our market by making our wheat more widely known as the best bread cereal; and to impress buyers with our desire to sell all we grow at prevailing world prices.

Government Revenues and Taxation. After three years of harassing experience with their finances our governments have, by strenuous efforts to reduce their expenditures and through higher revenues resulting from the improved business situation, at last found some relief, slight though it be. Thus the Dominion Government's revenue has increased each month since June over the corresponding months of 1932, while reductions have been effected in controllable and capital expenditures on its own account, as well as on that of the Canadian National Railways. If as good results are shown for the remainder of the fiscal year the budgetary deficit should be reduced by at least 10 per cent. But more than one year of higher revenues and of economy in fiscal and railway expenditures will be necessary to balance the public accounts. With this fact in mind, I again make the suggestion of a turnover tax by the Dominion Government in place of the sales tax. Such a tax should, under proper administration, provide a larger revenue than the sales tax. I also repeat a recommendation of earlier years, namely, that some of our administrative bodies be consolidated. Three separate organizations each for the Maritime and Prairie Provinces seem unnecessary, and I am sure that the taxation relief which would follow legislative union would be welcome. Unless such mergers are accomplished taxation will be oppressive, if not intolerable, for many years to come. Indeed, we need not stop at provincial legislative consolidation, but apply it to municipalities as well. Taking all governmental bodies, Dominion, provincial and municipal, into consideration, there is one such body for every 2,500 people, maintained at a cost that absorbs about one-third of the national income. When I first made suggestions along this line four years ago they were not favourably received, but as somewhat similar plans have recently been advocated by others there seems to be a growing interest in the question, which deserves the careful consideration of all the governments of Canada.

The West is not only subjected to excessive taxation through an over-organization of administration, but is hampered by legislation which, while apparently easing the situation of the farm debtor, really tends to damage his credit. I refer to the increasing number of Acts which give priority of lien over holders of first mortgages with the result that an instrument supposedly of first-class security rapidly deteriorates in credit standing and the mortgagor finds it increasingly difficult to secure fresh credit.

Gold. While I have never defended the gold standard without qualification, I have regarded it, under good management, not only as necessary to the life of international trade, but also as a safeguard against the tragic monetary disequilibrium of to-day. I venture the opinion that there is not a country off the gold standard that does not earnestly look forward to the time when it can return to it,

and, incidentally, make better use of it than before. In certain countries the public is exercising its prerogative to determine in what form it shall hold its wealth, and most of the new gold available since last spring has been privately hoarded instead of being added to monetary reserves. It was recently estimated that £70,000,000 in gold was held in safety deposit boxes in the United Kingdom. From the point of view of our metal producers and of our foreign trade this "gold rush" has been advantageous, for it has meant greater financial returns, but even discounting this factor and leaving out of account altogether the price incentive for new exploration, there is progress to record in the Canadian gold-mining industry. As part of the development programme undertaken prior to the advance in price, the productive capacity has been raised above even the high level of last year when, based upon the statutory price, the industry had a production value of \$70,000,000. More new gold has come this year from base metal mines, the output of which as a whole has risen by 20 per cent., this increase partly offsetting a decline in the production value of the gold fields themselves where operations have been on a larger scale, though on the lower grade ores.

The Outlook for Canada. I cannot grace the upturn in business with the title of recovery, but a more pleasant outlook is clearly before us. There are two valid reasons for expecting, if not further improvement, at least the maintenance of our present comparatively good position, first, that we have restored our economic vitality mainly by natural methods; and, secondly, that we are a member of the healthiest trade family, the British Empire. Of course, we cannot blind ourselves to the unsettled conditions in the United States, with which we have close ties. We are still in the dark as to the outcome of Mr. Roosevelt's attempts to re-establish prosperity in the United States, and unquestionably the success or failure of his plans will determine to some extent our own progress. And as we are only at the beginning of the voyage of recovery, there is the need of the most skilful navigation. There is much for each of us to do, and, incidentally, not do. I earnestly hope we shall avoid questionable financial practices and the excesses in speculation and the public and private extravagance which were the cause of much of our serious trouble of recent years. If we can keep our heads as well in the future as we did when we suffered the worst effects of depression, our faith in Canada will be found to be fully justified.

**Address of the
General Manager,
Mr. S. H. Logan**

On the occasion of our last Annual Meeting we were in the midst of the world economic depression which had continued unabated since 1929, and I could then only venture the hope that 1933 would witness at least some degree of recovery. That hope, I am happy to be able to say, has been fulfilled through the quite noticeable improvement which has taken place during recent months in

general business conditions in Canada. This welcome change has not, however, as yet reflected itself in an important way in our net earnings. The Statement before you shows a profit of \$3,648,000, which is \$630,000 less than that of the preceding year. We are encouraged, however, to note in recent monthly returns an upward trend, which we trust may continue.

The Bank's Statement. The strong financial position of the Bank shown last year has been well maintained. Our liquid assets of \$306,000,000 are somewhat lower in amount than a year ago, but they represent a higher ratio to total liabilities to the public, namely, 58 per cent. Cash reserves aggregating about \$60,000,000, are in excess of 11 per cent. of those liabilities. There is a change, however, in the composition of these reserves. Last year we had gold and silver coin holdings of \$25,000,000, which now show a reduction to about \$17,000,000. The explanation is that for a long period we held in the United States a gold reserve against our deposits abroad. New regulations by the American Government following the banking difficulties early in 1933 required all those in the United States who possessed gold, whether banks or individuals, to surrender their holdings to the Federal Reserve Bank, and to receive in exchange Federal Reserve notes, the legal tender of that country. Our Canadian Municipal and British, Foreign and Colonial securities have risen from \$25,000,000 to \$39,000,000. About \$20,000,000 of these consist of very short-term obligations of the British and United States Governments, which we now carry in place of gold as reserves against deposits outside Canada.

Increased holdings of government securities are now a prominent feature of the financial statements of banks throughout the world. This is accounted for by the decline, owing to the depression, in the volume of commercial and other loans. Banks are always desirous of making these loans because they stimulate general business activity and industrial employment, and in addition afford a more profitable employment for their funds than high-class securities. With a shrinkage in the volume of business and a fall in the general price level, the aggregate of credit requirements is necessarily lower than in a period of trade expansion and rising prices. Customers borrow freely only when they see an opportunity for making a profit, but will not assume fresh banking obligations if they consider that the price of commodities in which they deal may decline. Confidence in economic stability lies, therefore, at the basis of business revival and determines in large degree the volume of credit required by the borrowing community.

The increased investment by banks in government securities has not been due to choice, but to a diminished demand for credit. When, with revival of trade, credit is sought more eagerly, the short-term securities held by the banks will be falling due, and the enlarged needs of borrowing customers will be met without financial unsettlement.

Our current loans stand at \$228,000,000, as compared with \$246,000,000 a year ago. Changes under other headings of the assets side of the statement are relatively slight and require no special comment. On the side of liabilities, deposits by the public and balances due to other banks show a decline of \$18,000,000 during the year.

The principal causes of this reduction are the investment by depositors in the recent issue of Dominion Government bonds and the repatriation to the United States of temporary deposits—mainly funds of corporations—accumulated in Canada when our dollar stood at a discount with the American dollar and withdrawn upon appreciation of the former over the latter.

Deposits bearing interest aggregate \$352,300,000 and non-interest bearing deposits \$94,700,000, as compared with \$379,100,000 and \$90,800,000 respectively in our previous Statement.

Borrowings under the Finance Act remain unchanged.

Dominion Realty Company. We rarely comment upon the Dominion Realty Company, although it is our most important subsidiary and owns many of our buildings, including the one in which this meeting is being held. All the shares of its capital stock are owned by the Bank. This asset is carried in our statement at only \$3,000,000, although the book value of the shares exceeds \$15,000,000. Substantial provision is made annually for depreciation and sinking funds, and all buildings are maintained in excellent repair. Our Head Office building is yielding a satisfactory return upon the investment. When we considered its erection a survey indicated that our own space requirements over the preceding fifteen years had increased fourfold, and room for future expansion had to be provided. It has proved to be a most popular office building, about 5,000 people entering and leaving it daily, while at no time has the rental space been less than 99 per cent. occupied.

Report of the Royal Commission. This has been an unusually important year in the history of Canadian banking. We have witnessed an investigation of our entire financial structure by the Royal Commission on Banking and Currency, whose Report many of you no doubt have perused in detail. It furnishes the public with an instructed view of the banking situation in Canada and of the relations existing between the banks and their customers. Canadian banks welcomed this investigation and furnished the Commission with all information possible. During business depressions governments, banks and large financial corporations the world over come in for an undue amount of criticism. The Canadian banks could not attempt to reply to individual critics expressing such varied views and theories of banking principles and practice. The Commission at its numerous sessions throughout the Dominion afforded all interests and individuals the opportunity of expressing their opinions.

The chief criticism throughout these hearings was that the banks did not lend freely enough and that interest rates charged were too high. There has never been a time when the good borrower could not get necessary banking accommodation. By the good borrower I mean one possessing liquid security in reasonable relationship to the amount he seeks as a loan, particularly one who requires the money for productive purposes or for the movement of merchandise, and who can be relied upon to complete his business transaction and repay his loan in due course. There are, of course, many who feel that they should be able to borrow from a bank without adequate security, or without being able to show dependable sources of repayment. While banks are always prepared to take reasonable risks, they must at all times keep in mind their responsibility to their depositors and shareholders and the imperative necessity of conducting their business safely in accordance with sound banking principles. In following this policy we believe the banks have the support of the great majority of the public whom they serve.

It is most gratifying to know that the Report of the Commission, which included in its membership two such outstanding authorities as Lord Macmillan and Sir Charles Addis, expresses high commendation of our banking system and of the efficiency which has characterized its administration. With respect to interest rates charged to customers of banks throughout Canada, it must be borne in mind that such rates are necessarily fixed to allow, after meeting overhead expenses including heavy taxation and the amounts which must be appropriated annually against bad and doubtful debts, a fair return upon banking capital contributed by shareholders. The average net annual profits of Canadian banks for the past ten years were shown by the Report to be 6.36 per cent., and the dividends actually paid 5.93 per cent. upon the average investment by shareholders—certainly not an undue return compared with that obtainable from high class bonds during the same period. In 1933 the return to bank shareholders was, of course, much lower than the average I have mentioned, being very little more than 4 per cent. The cause of business depression is not to be found in interest rates, but in the slower movement of commodities and the severe reduction in prices. The law of supply and demand still determines the levels of world prices and of business activity.

Central Bank Policy. Announcement has been made by the Prime Minister that a Central Bank is to be established in Canada. The representatives of the Canadian banks in appearing before the Royal Commission expressed the opinion that there was no need for such an institution. We are all, naturally, slow to welcome radical changes, more particularly in such uncertain times as the present, but if the Government and Parliament of Canada determine that a Central Bank is now required, the banks should, and no doubt will, earnestly co-operate in endeavouring to make it a success. There are certain features of the constitution of the Bank

as proposed in the majority report of the Commission which we think require special consideration. The suggested capital of \$5,000,000 appears to be entirely inadequate for such an institution whose liabilities by way of notes in circulation and deposits on its books may extend to hundreds of millions of dollars. The commercial banks would naturally carry a substantial part of their reserves with the Central Bank, but the sum involved should not be specifically defined. A statutory cash reserve is a frozen reserve not available to banks in emergency. If a statutory reserve were set, each bank in self-protection would be forced to carry in its own possession larger cash reserves than would otherwise be the case, and in consequence credit to the public even in normal times would be necessarily restricted.

The new bank should not, because of the present serious exchange risks, be allowed to carry any important part of its reserves in other countries, except under the unqualified guarantee of the Dominion of Canada. There should be the same flexibility in borrowing privileges for the commercial banks as is now afforded them under the Finance Act, without legal restriction as to terms of borrowing or renewing. One outstanding feature in the Commission's report was the evidence of moderation of the banks' borrowings during the entire existence of the Finance Act.

Canadian Bank Note Circulation. The bank note circulation of this country is regarded as one of the best of the world's currency systems, for one reason because of its unblemished redemption record over the last half century. Its safety and general value have led one of the greatest authorities on central banking, Dr. Feliks Mlynarski, whose work for the Gold Committee of the League of Nations is recognized as a masterpiece, to pose the following questions: "Whether it would not be advisable to abandon the monopoly of note issue, and to admit to it a few of the best joint-stocks banks, whose right of issue of their own notes exclusively for discounting of commercial bills should be strictly limited, and to a certain degree based on the Canadian system. Is it not a characteristic feature of the crisis that Canadian banks suffer less at present than in other countries, particularly less than banks in the United States? Is it not also characteristic that in debtor countries with a note issue monopoly the reconstruction of the capital market is slow and painful?" These are cogent questions which deserve the most careful consideration. In any event, the note circulation privilege should not be taken away from the banks at an early date. It will take time for the country to accommodate itself to a Central Bank, and the commercial banks might well be left with their present note circulation facilities for a further period of, say, ten years.

Should the right of note issue be withdrawn from the chartered banks many of their smaller branches would no longer be able to operate at a profit and would have to be closed. I doubt if the

public realize to what extent the banking service they now receive would, of necessity, be curtailed if this step were taken.

Increase in Canadian Export Trade. The most outstanding feature of our trade during the past year was a sudden and widespread foreign demand for certain Canadian basic products. This occurred in conjunction with an increase in the physical volume of world export trade, commencing in February and extending at least until October, beyond which there are no complete figures yet available. Incidentally, this was the most sustained upturn during the past four years, and one that owes its origin both to a quickening of world industrial operations, which a host of fresh political and financial disturbances could not check, and to a consequent decline in raw material stocks. It is not necessary in this connection that I deal specifically with what has already been made public, namely, that the value of our export trade has increased steadily since April, and that we have, as a result of a broadening of our foreign markets, become better customers of other countries by increasing our imports. Nor need I stress the fact that consequent upon a greatly increased margin of merchandise exports over imports (\$141,000,000 for 1933, as compared with \$49,000,000 in 1932) we have found it easier to maintain our proud record of honouring our external debts, while over twenty countries have defaulted, wholly or in part. Instead, I ask you to note two special points, one, how well Canada shared in the improvement in world trade, and the other, the role played by our banks in this most striking economic development of the past year. The first of these is the more noteworthy, because it reflects the favour with which the quality of Canadian products is regarded in the international market, as well as the skilful management that kept our basic industries in efficient working condition and therefore immediately responsive to a revival in trade. A decline in grain exports from midsummer was overshadowed by a continuously increasing trade in cattle and bacon and by a marked expansion in exports of metals and wood products. As an interesting sidelight on this subject, it may be mentioned that after careful enquiries, directed through our foreign branches and correspondents, we learn that the greatly enlarged exports of these materials have been actually required for consumption and have not been caused by a speculative demand carrying with it the danger of recession in our productive activity. To demonstrate that Canada was one of the chief beneficiaries of this upward movement in international trade, let me point out that the rate of increase in the exports of this country, calculated in gold values for the purpose of reliable comparison, was more than double the rate in world exports as a whole.

Canadian Banks Finance Foreign Trade. With regard to the other special feature, as practically every foreign trade transaction passes through a bank we may well consider how different the situation would have been had our banks not been so strong and well equipped, as a result of many years of sound methods and the

development of foreign connections (instituted long before the present regimes), to undertake the financing of this increased business. Obviously, the answer is that Canada would not have been able to take full advantage of the opportunity afforded to augment its manufacturing activities (including those of the lumber and pulp and paper mills), by 40 per cent., and its mining operations by 25 per cent., nor to widen the field of general employment so as to absorb at least 150,000 workless people. I do not claim that the banks have done more in this respect than they should have done. But such an unexpected call for their services was made under abnormal circumstances, because at the time that this increased foreign demand for Canadian products arose, the United States voluntarily suspended the gold standard and the international exchanges were thrown into a state of confusion never previously experienced. However, the Canadian banks were able to finance this trade, and thereby to prevent any interruption in the execution of new orders by Canadian exporters. I can give you some idea of the magnitude of the volume of this foreign business undertaken by the banks of Canada by mentioning that our institution alone put through its books in 1933 bills of exchange, inward and outward, transfers, drafts, credits, etc., aggregating nearly 400 million dollars.

Canada's Industrial Revival. The foregoing is intended to be briefly illustrative of the gratifying progress made by some of our leading industries, as well as to explain the causes of an increase in general business activity of nearly 20 per cent. in 1933, in contrast with a decline of 13 per cent. in the preceding year. The records of our forest and mining industries, however, warrant further comment. Whereas Canada accounted for most of the decrease in the world production of newsprint during 1932, she will be listed as one of the countries which expanded its output in 1933. A year ago the conditions affecting the lumber industry were so serious as almost to baffle description, but a marked improvement commenced in the spring of 1933, and by the autumn the production of the largest regional unit, British Columbia, was at the highest level for any corresponding period since 1929.

Canadian Mining. There has been general recognition of the fact that mining in this country has held its ground better than any other major industry. In the 1929-32 period it registered a decline of about 25 per cent.—mainly because of the severe depression in coal-mining—as compared with one of nearly 40 per cent. in general business. But it may not be widely known that the mining industry as a whole has now become our second largest primary producer, ranking next to agriculture. One salient feature of the past year is not merely the continued progress in gold mining, with an estimated production of \$61,000,000 at \$20.67 per ounce, or \$85,000,000 at the average market price realized, but also the fresh impetus given to the base metal and asbestos industries. Thus, the production of

nickel in 1933 was nearly three times that of 1932, while that of copper increased by 22 per cent., that of lead by 5 per cent., that of zinc by 16 per cent., and that of asbestos by 21 per cent. In comparison with the world production of these materials, we find that the Canadian records were more impressive in respect of copper and lead, but less favourable in the case of zinc and asbestos. The total value of mineral production in Canada for the past ten years has aggregated nearly \$2,400,000,000, an enormous contribution to Canada's national income.

It is highly regrettable to have to note the great distress over a part of the Prairie Provinces attendant upon another severe drought, although the purchasing power of Canadian agriculture as a whole rose slightly in 1933. It is also disappointing to record that building and other construction continued to decline until late in the year; that, despite further operating economy, the net revenues of our two railway systems were little, if any, larger than in 1932; and that our governmental and municipal debt structures show no general improvement. The balancing of budgets by all spending authorities is an urgent necessity.

Encouraging Progress. While Canada is still paying the penalty of over-expansion and over-borrowing, conditions are undoubtedly better than they were a year ago. We may be slow in attaining the momentum of recovery which we all desire, and undoubtedly we have many pressing national problems still to solve. But with the encouraging progress which has been made we can go about our task with brighter hopes and more cheerful hearts, and with that greater sympathy for others less fortunate than ourselves which has been developed by the period of adversity through which we have passed.

ASSURANCES IN FORCE, \$2,770,453,871

ANNUAL STATEMENT

OF THE

**SUN LIFE ASSURANCE COMPANY
OF CANADA**

FOR THE YEAR 1933*

**Directors' Annual
Report for
the Year 1933**

Your Directors present for your approval the Company's sixty-third Annual Report.

The effects of the business depression continued to be felt during the early months of the year, resulting in further declines in the amount of new business secured by life assurance companies. The general business improvement which later developed corrected this tendency, and was reflected in the experience of our own Company in consistent increases in business during the later months of the year as compared with the corresponding periods of 1932.

New policies paid for numbered 77,026 for a net amount of \$216,567,441.87. Of this total \$6,359,474.00 was in respect of policies on the group plan.

Assurances in force at December 31 amounted to \$2,770,453,871.00, of which \$42,620,796.00 was reassured.

Policies in force number 896,682, and in addition 203,827 certificates of assurance are held by employees under the group plan.

The sum of \$12,933,562.94 was received in respect of annuity contracts.

Annuity contracts in force number 22,916, under which the annual payments to annuitants amount to \$8,443,503.99. In addition, group pension policies issued to various firms covering 12,029 employees provide for pension payments aggregating \$4,500,978.85 per annum, to commence at stated retirement ages.

The total income for the year from all sources amounted to \$152,235,821.56. The total disbursements were \$127,505,801.17.

The assets now stand at \$624,146,035.20, an increase for the year of \$12,709,882.44. The valuation of the bonds and stocks has been made on the basis prescribed for all companies by the Insurance Department of the Dominion of Canada, and in conformity with the

*NOTE.—Annual Meeting, Feb. 13, 1934. Preceding Annual Reports may be consulted in 1911—32 Volumes of *The Canadian Annual Review*; a History of the Sun Life will be found in *The Review*, 1910 (Supplement).

bases authorized by the Departments of Insurance of the various Provinces of Canada, and the National Convention of Insurance Commissioners of the United States.

Payments to policyholders and beneficiaries during the year amounted to \$97,457,059.17, bringing the total so paid since organization to \$800,170,033.51.

Dividends and policy proceeds left on deposit with the Company at interest increased by \$2,259,516.65 during the year, and the total now so held is \$34,952,862.82.

Dividends paid to policyholders during the year amounted to \$16,437,231.06.

No payments of dividends to shareholders, or allotment of surplus to shareholders' account, were made during the year. This accords with the decision, announced at the last annual meeting, to defer consideration of these matters until business recovery shall be more fully established.

The rate of mortality among our policyholders has again been favourable, the death claims being but 57.9 per cent. of the amount provided for that purpose.

The revenue from investments showed a slight decrease as compared with the corresponding item for the preceding year. This difference has been more than offset by savings in the expenses of management and operation.

The surplus earned during the year afforded a substantial margin over the dividend requirements to policyholders on the basis of distribution currently in force, enabling the sum of \$7,635,055 to be applied in reduction of the values at which the securities are carried in the statement.

Policy liabilities have been valued by the full net level premium method, a standard more exacting than required under the stringent provisions of the Dominion Insurance Act.

The reserve for depreciation in mortgages and real estate stands at \$4,885,903.87.

The paid-up capital and balance at credit of shareholders' account total \$3,342,547.40.

The surplus over all liabilities and capital stock amounts to \$5,951,751.99.

Your Directors acknowledge the loyal and efficient service rendered during the year by the officers, branch managers, field forces and clerical staffs.

The Directors who retire by rotation are:

Representatives of the Shareholders: Mr. J. Redpath Dougall, Sir Herbert S. Holt, Mr. T. B. Macaulay, Hon. L. A. Taschereau, Hon. James C. Tory, Mr. Arthur B. Wood.

Representatives of the Policyholders: Hon. Raoul Dandurand,
Mr. C. B. McNaught, Mr. John W. Ross.

ARTHUR B. WOOD.

*Vice-President &
Managing Director.*

T. B. MACAULAY,

President.

DIRECTORS AND OFFICERS

(As at Feb. 13, 1934)

T. B. MACAULAY, F.I.A., F.A.S., Chairman of the Board
ARTHUR B. WOOD, F.I.A., F.A.S., President and Managing Director

ROBERT ADAIR
E. W. BEATTY
W. M. BIRKS
HON. RAOUL DANDURAND
J. REDPATH DOUGALL
SIR HERBERT S. HOLT
J. W. McCONNELL

ROSS H. McMASTER
E. A. MACNUTT
C. B. McNAUGHT
CARL RIORDON
JOHN W. ROSS
HON. L. A. TASCHEREAU
HON. LORNE C. WEBSTER

E. A. MACNUTT, Vice-President and Treasurer

C. S. V. BRANCH, Second Vice-President

H. WARREN K. HALE, Secretary

G. W. BOURKE, F.I.A., F.A.S., Actuary

Associate Actuaries:

J. J. COOPER, A.I.A., F.A.S.
J. B. MABON, F.I.A., F.A.S.
C. D. RUTHERFORD, F.I.A., F.A.S.

Assistant Secretaries:

E. E. DUCKWORTH
D. L. MACAULAY

H. P. THORNHILL, Assistant Treasurer J. W. BROWN, Investment Secretary

Superintendents of Agencies:

JAMES W. SIMPSON, Chairman Agency Executive Committee
J. S. IRELAND W. S. PENNY
H. M. MOORE P. W. WARD
F. D. MACORQUODALE

Supervisors:

GEO. H. HARRIS, Field Service Bureau C. E. REID, Group Department
J. A. EWING, K.C., Legal Adviser

C. C. BIRCHARD, M.D., M.R.C.P. (Lond.), Chief Medical Officer

Assistant Medical Officers:

J. KEITH GORDON, M.D., C.M. ARTHUR W. YOUNG, M.D., C.M.
W. F. HAMILTON, M.D., C.M., Consulting Medical Referee

H. O. LEACH, General Manager, British Department

I. A. MILLER, A.I.A., F.A.S., Resident Actuary, British Department

A NATIONAL BUSINESS ORGANIZATION
CANADIAN MANUFACTURERS' ASSOCIATION*
PROCEEDINGS OF
THE ANNUAL GENERAL MEETING OF 1933†

Address by
the President,
Mr. W. C. Coulter

The attention of nations is concentrated on the Monetary and Economic Conference which opens a few days hence in London and the hopes of their peoples are stimulated and encouraged by the prospect of its success. Upon that Conference depends, to a considerable degree, the happiness and prosperity of mankind and the preservation of the present form of civilization.

The following are some of the principal questions that will be considered by the Conference; monetary and credit policy; exchange; price levels; movement of capital; tariffs; prohibitions, restrictions and quotas relating to trade exchanges; and producers' agreements.

It is obvious that complete or partial solution of these questions is essential to the recovery of international and domestic finance and trade. Until, for example, there is devised a stable medium of international exchange, no settlement of financial or commercial questions can hope to bring lasting results. To no country is the problem clearer or its solution more vital than to Canada, suspended as she is, so to speak, between the dollar and the pound, and unable of herself to do much to bring order out of the existing uncertainty.

The Conference has been preceded and anticipated by two historic events, The Imperial Economic Conference and the recent international conversations at Washington. There is evidence that the Imperial Economic Conference has accomplished one of its purposes. It demonstrated to other nations that countries representing a fourth of the world's population and a fifth of the earth's surface could deliberate and agree on broad policies which reconciled divergent interests and promoted common welfare. Had the Imperial Economic Conference failed, there would not have been much hope for a world conference, but the success of the Imperial Conference turned men's minds more confidently towards the larger enterprise. With the magnificent object lesson provided by the British Empire before them, the nations approach the world assembly with the determination to arrive at international agreements.

The second preceding event was the recent preliminary discussion between representatives of the United States and Great Britain, and,

*NOTE.—For Annual Reports and Addresses of years 1922-1932 see Supplement to *The Canadian Annual Review*, Vols. 1922-32.

†NOTE.—Held in the City of Toronto, June 6 and 7, 1933.

later, between representatives of the United States and other countries. Instances of friendship and co-operation between Great Britain and the United States are always welcome and nearly always beneficial, not only to themselves but also to others, but, in this critical time the apparent agreement in thought and action of these two mighty powers, sent a wave of thankfulness and hope throughout the world.

This is neither the time nor the place to analyze the causes which created present conditions. That has been done over and over again during the past few years. The information in regard to the past, the sufferings of the present, and the proposals for the future will be in the hands of the Conference, and the decisions reached will be in the power of the various governments to translate into action.

While the world looks forward with confidence and courage to the Conference, believing that much will be accomplished, it is well to remember that the intellects and powers of men are very limited, especially when they are in the grip of upheavals of nature or international conditions. At best, the Conference can only start the world on the road back to better conditions. It is not going to deal in magic or perform miracles. There will be no easy and spectacular transformation by the mere adoption of attractive formulae. After the Conference points out the way and starts the march, there will be a stiff journey, but we can make it cheerfully if we know that it leads upward out of the bog to solid ground.

Domestic Problems. If bad times, unemployment, low prices and similar misfortunes were purely domestic conditions, the result of national mismanagement and confined within the boundary of Canada, we would have reason to reproach our governments and ourselves. While mistakes in past policy and practice have contributed to or aggravated our troubles, the factors which have chiefly harassed us are universal; every country is afflicted; most countries are in worse states than ours. International maladies must have international remedies. Looking back over the four years since the storm broke, it is doubtful whether many will believe that Canadians could have done much more than has been done to deal with the various crises which confronted them. They have managed in some way to feed, clothe, house and find partial employment for those who were in distress. The Dominion Government, the nine provincial governments and the hundreds of county, township, city, town and village councils have been called upon to perform almost super-human tasks. The members of these governments have carried great responsibilities and undergone severe and prolonged mental and physical hardships in discharging their public duties, while, at the same time, nearly all of them had to earn livings for their families and themselves in their private capacities.

They have made mistakes and probably spent some money unwisely, but the central fact is that they have performed their functions of governing a democratic country in a period of unprecedented

stress and hardship, maintained the country's credit and preserved law and order.

Our governments are struggling with the legacies of the optimism of previous generations. About the beginning of the present century, the people of Canada were convinced that the material history of the United States was to be duplicated in this country and that preparations should be made for a population of twenty or thirty millions. Consequently, the Dominion, the provinces and the municipalities instituted and continued plans to provide government buildings, civil services, commissions and boards, educational institutions, railways and later, competing highways, canals and lands settlements, and, afterwards added several expensive forms of social legislation in order to meet the needs of the anticipated population. Such policies were, for the greater part, reasonable and proper for a rapidly growing country and, had it not been for the war, which checked immigration, and changed the attitude of other peoples in regard to emigration, plans for expansion might have been justified but, as it is, they were to some extent in advance of the actual needs of the country.

Unfortunately, governments have to continue collecting taxes to pay for these things. On top of this load were suddenly and heavily piled increasing annual expenditures for unemployment and relief. That practically all governments have been and are reducing ordinary expenditures is evident from their budgets, but these savings have been counterbalanced, more or less, by the cost of relieving distress. Taxpayers are justified in insisting on economy in governmental administration, but they should go further. They should recognize the facts of the situation and appreciate the difficulties with which leaders of governments are struggling; and, moreover, they should co-operate with the various governments by making specific and practical recommendations as to how governmental expenditures can be curtailed and also by refraining from asking for expenditures except on projects which can be justified economically until the anticipated improvement of conditions and consequent rise of prices, enable taxpayers, without undue hardship, to pay current expenses and to make provisions for debt reductions.

Women and men everywhere in Canada have shown generosity, courage and resource in weathering the storm. They have done their work, looked after their own families, carried their own loads and at the same time have co-operated with governments, churches, lodges and associations and have acted as private individuals, to help the less fortunate. While credit is due and is gladly given to members of governments, and also to those directing social and charitable enterprises, they will readily admit that the functions and capacities of governments and of organized charity, are limited and that, for the greater part, Canadians must solve their own problems and bear their own burdens.

Take the problems of employment. Governments, commissions, churches and charitable organizations, and volunteer co-opera-

tive efforts can provide work only for comparatively few. The great part of employment must come from productive enterprises. Farms, fisheries, forests, mines, transportation, factories, professions and business furnish nearly all the opportunities for employment.

The following statistics show how some of the great producing departments have been keeping Canadians at work during the past four years:

	1929	1930	1931	1932
Manufacturing	694,434	644,439	557,426	496,110
Mining	77,101	71,764	58,708	52,251
Fishing	64,083	63,830	61,832	55,030
Lumbering	97,000	90,000	52,000	46,280

The figures for 1929, 1930 and 1931 are official; those for 1932 are estimated from the official monthly index figures of employment.

According to these statistics, Canadian manufacturers in 1930 employed 92 per cent. of those employed in 1929; in 1931, they employed 80 per cent. of those employed in 1929; and in 1932 they employed 70 per cent. of those employed in 1929, the peak year of production. These are relatively high percentages, when it is remembered that certain large departments of industry, such as building and construction, have been brought almost to a standstill. These percentages, of course, include those partially employed and those maintained on repair work, building and similar temporary occupations, as well as those fully employed on the usual industrial processes. It is disquieting to think of what might have been the situation if the manufacturers and other producers had not been able to provide so much employment. Undoubtedly a great many Canadians would have been in desperate straits because farmers, retail merchants and other property owners could not possibly have paid the taxes necessary to support large additional numbers in idleness. Finding employment is only part of the problem. Manufacturers must first find customers for the goods which the employees make. There is no use employing people in making goods for which there is no sale, and there is no law compelling people to buy goods.

The majority of these out of work, or on part time, have been in a difficult position. They do not like relief; they prefer independence; they desire work at salaries and wages which will enable them to pay their way and have a surplus for investment in insurance, property and savings. With few exceptions, they have borne their troubles with extraordinary courage and patience. This general attitude is due largely to the fact that Canadians are intelligent and educated. They follow the trend of opinion and events in public addresses, the press and the radio and realize that conditions in Canada have been and are better than those in most other countries, and also that governments, institutions, associations and their fellow citizens are sympathetic and helpful.

The farmers of Canada deserve the highest praise for the manner in which they have battled with their difficulties. The unprecedented

fall in commodity prices all over the world bore with peculiar severity on the agricultural population, who saw the values of their products melt away and, consequently, their buying power diminished. As manufacturers, we sympathize with them, particularly because their problems, being connected with production, are very similar to our own. We have all learned by painful experience how great is the interdependence of agriculture and industry and that they suffer or prosper together. When the farmers have little money from the sale of their products they buy smaller quantities of manufactured goods; when the manufacturers are forced to reduce staffs the market for farm produce is restricted. On the other hand, as prices of farm products rise, the sales of manufactures grow, and, as more people obtain work in factories at fair wages, the consumption of farm products increases.

In times of economic depression men's minds turn to intellectual pursuits; they read, study and think more than in good times when there are more diversions. This tendency is reflected in research work. In the restricted sense, research is academic; in the broad sense, research has a practical bearing on industry and other activities, and involves management in many phases. As Canadians we have no option in regard to education and research. Ten million people can maintain and develop half a continent only with the assistance of education, research in the wide sense, and machinery. Expenditures in education and research are not only a necessity to meet the trade competition of older, more populous and richer countries, but also an investment which will yield many rich returns in addition to those expressed in financial terms.

As the standing committees will present detailed reports on tariffs, transportation, taxation and employment, and as the division committees will deal with conditions in the various areas of Canada, it is not necessary to refer at any length to these subjects in this review.

Apart from the fields of governments and conferences, with their financial and economic proposals, there are indications of improvement. The reports from the British Isles have been showing a small but steady improvement during the past year. Australia, which entered the depression among the first, is beginning to emerge with many of her troubles behind her. The United States, after prolonged and severe misfortunes, has adopted a bold course, has embarked on daring experiments, and the stimulus of action seems to have shaken off lethargy and imparted new life to many departments of activity, and, as Canadian business is always affected by conditions in the United States, we should benefit accordingly.

The rise in the value of farm products and in some basic commodities has created a better outlook in Canada, and also has increased capacity to purchase, with the result that there has been some improvement in business and employment, how much it is difficult to estimate at present.

In the case of Canada, we have one important advantage—great and varied assets. The farms, mines, fisheries, forests, distributing, transportation, financial and industrial systems are all intact. The physical properties have not diminished in size, although their earning powers have been greatly reduced. When world conditions improve all these national industries can function at or near capacity, according to the demand for their products or services.

We have realized that trade is an interchange of services chiefly in the concrete form of products, which are largely crystallized labour; we should also remember that our national industries are assets, valuable to the extent to which they supply articles and services demanded.

While we await the conclusion of the world conference, realizing that it will deal with matters over which our, or any other single country, can have little control, we can continue to apply ourselves to our own particular national problems, in so far as they are capable of immediate solution, and, with our country's history in our minds, and the confidence engendered by the quality and character of our population, prepare to move forward with other countries to happier and better times.

HONORARY OFFICERS OF C.M.A., 1933-34

President	L. L. Anthes	Toronto, Ontario
1st Vice-President	James H. Webb	Montreal, Que.
2nd Vice-President	W. R. Drynan	Hamilton, Ontario
Treasurer	T. F. Monypenny	Toronto, Ontario

Chairmen of Committees:

Tariff, J. O. Thorn, Toronto; Transportation, W. S. Campbell, Toronto; Insurance, H. M. Jaquays, Montreal; Membership, J. H. Fortier, Quebec; Legislation, W. S. Morden, K.C., Toronto; Industrial Relations, A. R. Goldie, Galt; Education, N. C. Polson, Jr., Montreal; Commercial Intelligence, W. D. Black, Hamilton; Publishing, Walter C. Laidlaw, Toronto.

Chairmen of Divisions:

British Columbia, J. G. Robson, New Westminster; Prairie, T. A. Wilson, Regina; Ontario, A. Ross Robertson, Toronto; Quebec, A. McA. Murphy, Montreal; Maritime, C. L. McKay, Charlottetown.

CANADIAN MANUFACTURERS' ASSOCIATION

HEAD OFFICE, TORONTO

General Manager	J. E. Walsh
General Secretary	J. T. Stirrett
Manager, Tariff Department	J. R. K. Bristol
Manager, Transportation Department	S. B. Brown
Manager, Commercial Intelligence Department	Alex Marshall
Manager, Legal Department	H. Macdonald
Manager, Industrial Relations Department	H. W. Macdonnell
Editor, <i>Industrial Canada</i>	W. A. Craick
Advertising Manager, <i>Industrial Canada</i>	D. B. Gillies
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Number of Day and Evening Schools:—		
Elementary and Secondary	4,866	7,778
Enrolment for the year in Day and		
Evening Schools	472,382	830,388
Number of Day Teachers	3,887	21,387
Gross Municipal Expenditures	\$3,151,926	\$50,544,605

† Dominion Census 1931.

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(2) A National System permitting, however, in certain cases, Separate Denominational Schools subject to uniform Standards of Efficiency with other Elementary Schools.

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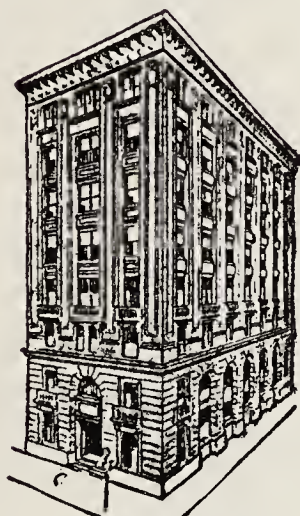
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